More than machines®

RAMIRENT

2016 FINANCIAL STATEMENTS

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RAMIRENT
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THIS IS RAMIRENT

A leader in equipment rental solutions, Ramirent offers improved efficiency and safety by combining machines, services and know-how into customized solutions – More than Machines®.

Ramirent serves a broad range of customer sectors through one of Europe's largest customer center networks and equipment fleets. The rental fleet consists of light machinery, heavy machinery, lifts, safety equipment, temporary space and site modules, tower cranes and hoists, scaffolding and weather protection as well as power and heating systems. Related services offered range from work site planning and condition monitoring, on-site support, logistics and fuel services to safety planning and training.

#1 MARKET LEADER IN 8 COUNTRIES

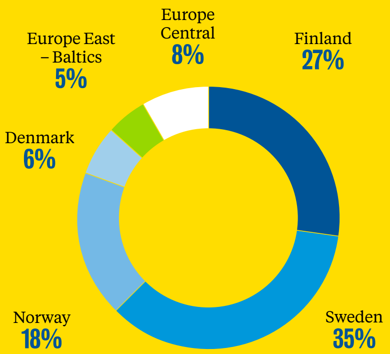
2,686 EMPLOYEES
150,000 CUSTOMERS

290 LOCATIONS IN 10 COUNTRIES

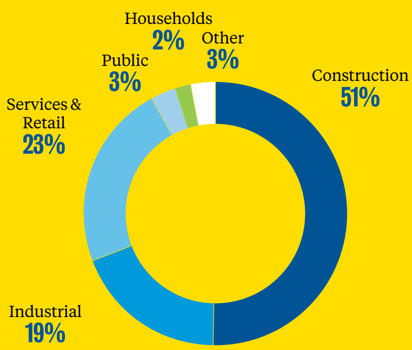
25,000 EQUIPMENT TYPES

665 MEUR ANNUAL SALES

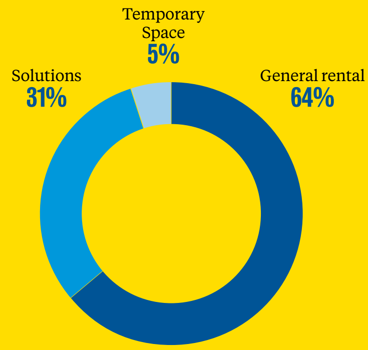
SALES BY SEGMENTS



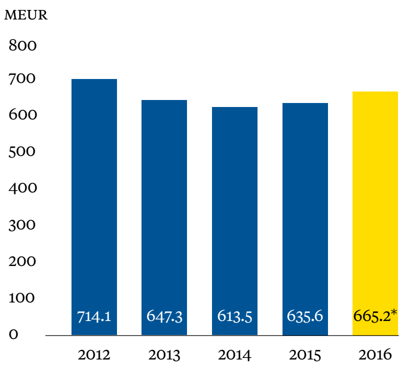
SALES BY CUSTOMER SECTORS



SALES BY BUSINESS AREAS

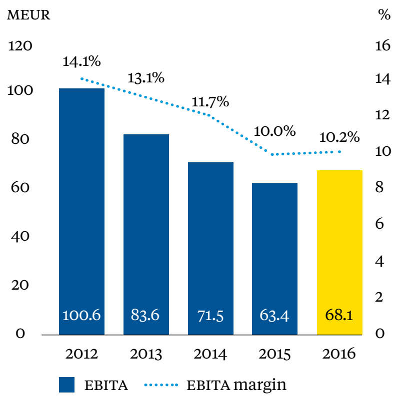


NET SALES

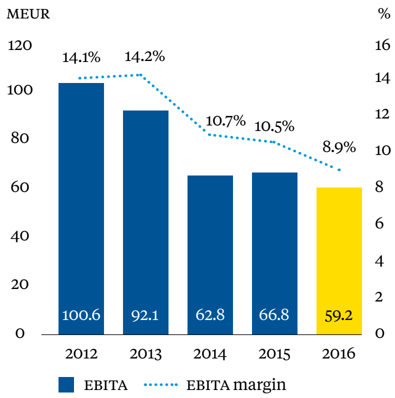


* Financial target: Annual net sales growth above GDP +2%-points. In 2016 net sales grew by 6.1% at comparable exchange rates, which was above our financial target (GDP growth + 2%-points).

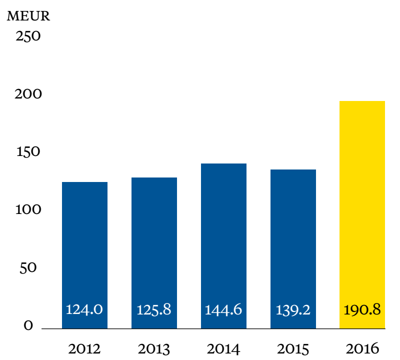
COMPARABLE EBITA AND MARGIN



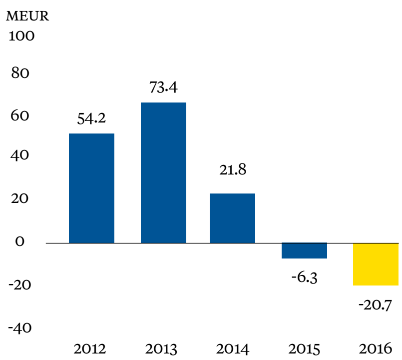
REPORTED EBITA AND MARGIN



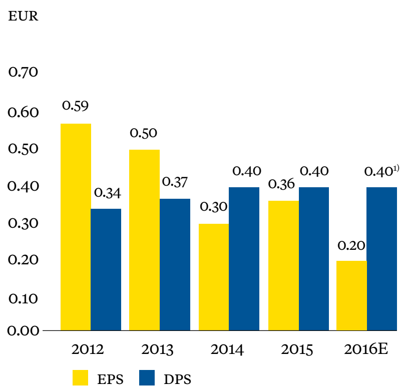
CAPITAL EXPENDITURE



CASH FLOW AFTER INVESTMENTS

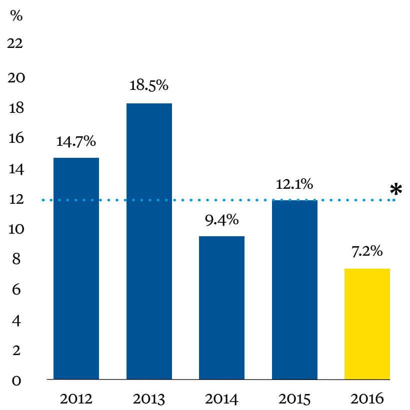


EARNINGS AND DIVIDEND PER SHARE



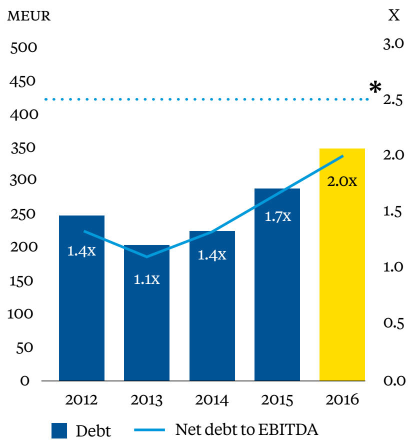
[1)] Board's proposal for AGM 2017

RETURN ON EQUITY



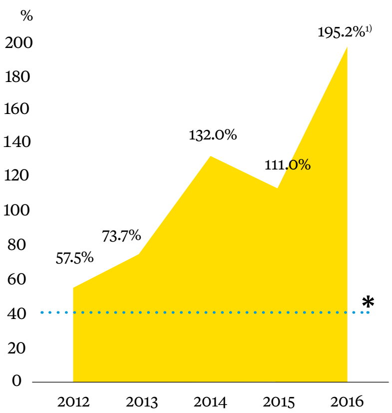
* Financial target: ROE of 12% per fiscal year

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 for AGM 2017

REPORT OF THE BOARD OF DIRECTORS

RAMIRENT IN BRIEF

Ramirent is a leading rental 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 2016, Ramirent Group sales totalled EUR 665.2 million. The Group has 2,686 employees in 290 customer centres in 10 countries. Ramirent is listed on the NASDAQ Helsinki (RMR1V). Ramirent – More Than Machines™.

FINANCIAL REVIEW

Ramirent Group's net sales grew by 6.1% at comparable exchange rates in January-December. Sales growth was strongest in Finland and Sweden supported by favorable market conditions throughout 2016. Sales increased also in Norway, the Baltics and Europe Central but declined in Denmark. The Group's January-December reported net sales increased by 4.6% to EUR 665.2 (2015: 635.6; 2014: 613.5) million.

NET SALES DEVELOPMENT BY SEGMENT

	JAN–DEC 2016 (MEUR)	JAN–DEC 2015 (MEUR)	CHANGE	CHANGE AT COMPARABLE EXCHANGE RATE	OF GROUP IN 2016
Finland	180.4	160.2	12.6%	12.6%	26.9%
Sweden	237.0	225.4	5.2%	6.5%	35.4%
Norway	120.2	120.7	-0.4%	3.5%	18.0%
Denmark	41.7	42.3	-1.3%	-1.5%	6.2%
Europe East	34.4	34.1	1.0%	1.0%	5.1%
Europe Central	55.8	55.4	0.6%	3.7%	8.3%
Elimination of sales between segments	-4.4	-2.5			
Net sales, total	**665.2**	**635.6**	**4.6%**	**6.1%**	**100.0%**

January-December EBITDA increased slightly to EUR 169.0 (168.1) million. EBITDA margin was 25.4% (26.4%) of the net sales. Depreciation and impairment charges of tangible assets increased to EUR 109.8 (101.3) million mainly due to higher capital expenditure and asset write-downs.

The Group's comparable EBITA improved as a result of sales growth. Comparable EBITA increased to EUR 68.1 (63.4) million, representing 10.2% (10.0%) of net sales, while reported EBITA decreased to EUR 59.2 (66.8) million or 8.9% (10.5%) of net sales. Reported EBITA was affected by one-off items including asset write-downs, reorganization costs and other items in total of EUR -8.9 (3.3) million.

COMPARABLE EBITA BY SEGMENT

	JAN–DEC 2016 (MEUR)	% OF NET SALES	JAN–DEC 2015 (MEUR)	% OF NET SALES
Finland	23.0[1]	12.7%	20.3[1]	12.7%
Sweden	28.8[2]	12.1%	29.4[2]	13.1%
Norway	7.6[3]	6.3%	7.0[3]	5.8%
Denmark	2.3	5.5%	0.8[7]	1.8%
Europe East	6.6[4]	19.2%	7.2	21.2%
Europe Central	4.4[5]	7.9%	3.3	5.9%
Unallocated items	-4.5[6]		-4.6	
Total	**68.1**	**10.2%**	**63.4**	**10.0%**

1 Excluding IACs of EUR 1.0 million in 1-12/2016 and EUR 0.8 million in 1-12/2015
2 Excluding IACs of EUR -2.4 million in 1-12/2016 and EUR 3.5 million in 1-12/2015
3 Excluding IACs of EUR -5.9 million in 1-12/2016 and EUR -0.5 million in 1-12/2015
4 Excluding IACs of EUR 0.5 million in 1-12/2016
5 Excluding IACs of EUR -0.5 million in 1-12/2016
6 Excluding IACs of EUR -1.7million in 1-12/2016
7 Excluding IACs of EUR -0.5 million in 1-12/2015

IMPACTS OF NEW ESMA GUIDELINES

The European Securities and Markets Authority (ESMA) has issued new guidelines regarding alternative performance measures to be implemented at the latest in the second quarter of 2016. Due to the new guidelines, Ramirent's performance measure "EBITA excluding non-recurring items" was replaced with "comparable EBITA" as of the first quarter of 2016. The content of adjustments equals items previously disclosed as non-recurring items including income and expenses arising activities that amend Ramirent's business operations or are incurred outside its normal course of business such as restructuring costs, impairments, significant write-downs of assets and significant gains or losses on sale of assets and businesses. Comparable EBITA is disclosed to improve comparability between reporting periods.

ITEMS AFFECTING COMPARABILITY (IACS)

In January-December, items affecting comparability in EBITA included the derecognition of a contingent consideration liability of EUR 1.0 million in Finland and a EUR 0.5 million positive item due to the reclassification of loans in Fortrent Group. One-off costs included reorganization costs and negative impact from project reassessments in Swedish scaffolding solutions business of EUR 2.4 million, EUR 1.7 million reorganization costs at Group level and EUR 5.9 million of asset write-downs in Norway. In Europe Central, reorganization costs of EUR 0.5 million were recorded in the fourth quarter of 2016.

In the comparison period, items affecting comparability included the EUR 4.6 million derecognition of contingent consideration liabilities from Sweden and Finland as well as EUR 1.3 million of restructuring costs in Sweden, Norway and Denmark.

ITEMS AFFECTING COMPARABILITY IN EBITA

(MEUR)	JAN–DEC 2016	JAN–DEC 2015
Finland	1.0	0.8
Sweden	−2.4	3.5
Norway	−5.9	−0.5
Denmark	–	−0.5
Europe East	0.5	–
Europe Central	−0.5	–
Unallocated items	−1.7	–
Total	**−8.9**	**3.3**

REPORTED EBITA BY SEGMENT

(MEUR AND % OF NET SALES)	JAN–DEC 2016	EBITA MARGIN	JAN–DEC 2015	EBITA MARGIN
Finland	24.0	13.3%	21.1	13.2%
Sweden	26.4	11.1%	33.0	14.6%
Norway	1.7	1.4%	6.5	5.4%
Denmark	2.3	5.5%	0.3	0.7%
Europe East	7.1	20.7%	7.2	21.2%
Europe Central	3.9	7.0%	3.3	5.9%
Unallocated items	−6.2		−4.6	
Total	**59.2**	**8.9%**	**66.8**	**10.5%**

The Group's amortization and impairment charges of intangible assets increased to EUR 20.9 (8.8) million in January-December. Write-downs of intangible assets from discontinuing the planned roll-out of the common ERP-platform outside of Scandinavia amounted to EUR 10.9 million. In Norway, Ramirent recognized an impairment loss of EUR 0.8 million in associated company shares. The Group's reported EBIT declined to EUR 38.4 (57.9) million, representing 5.8% (9.1%) of net sales.

Net financial items were EUR −10.2 (−11.1) million, including EUR 0.8 (−0.6) million net effects of exchange rate gains and losses. Income taxes amounted to EUR −6.3 (−8.1) million. Asset write-downs and reorganization costs had an estimated EUR 4.3 million tax benefit on the January-December result. Profit for the period attributable to the owners of the parent company declined to EUR 22.1 (39.0) million and earnings per share (EPS) decreased to 0.20 (2015:0.36; 2014: 0.30). Return on capital employed (ROCE) decreased to 6.2% (2015: 10.0%; 2014: 10.2%) and return on equity (ROE) to 7.2% (2015: 12.1%; 2014: 9.4%). Excluding items affecting comparability, earnings per share (EPS) was 0.35 (0.33), return on capital employed (ROCE) 9.3% and return on equity (ROE) 12.1%.

CAPITAL EXPENDITURE AND CASH FLOW

Ramirent Group's January-December gross capital expenditure on non-current assets increased to EUR 190.8 (139.2) million or 28.7% (21.9%) of net sales. The Group investments in machinery and equipment increased to EUR 165.6 (126.1) million. There were no major acquisitions made during January-December 2016. Committed investments on rental machinery amounted to EUR 30.5 (26.3) million at the end of 2016.

The Group's cash flow from operating activities in January-December increased to EUR 168.0 (136.3) million, of which the change in working capital was EUR 6.6 (−11.0) million. Cash flow from investing activities was EUR −188.6 (−142.7) million. Cash flow after investments amounted to EUR −20.7 (−6.3) million.

On April 1, 2016, Ramirent distributed EUR 43.1 (43.1) million in dividends to its shareholders. No own shares were acquired during January-December 2016.

FINANCIAL POSITION

The Group's net debt increased to EUR 345.8 (280.9) million at the end of the year. The level of net debt corresponds to a gearing ratio of 116.2% (88.0%). Net debt to EBITDA ratio was 2.0x (1.7x) and remained below Ramirent's financial target of a maximum of 2.5x at the end of each fiscal year.

At the end of 2016, the Group had EUR 153.9 (134.4) million of unused committed back-up credit facilities available. The average interest rate of the loan portfolio was 1.9% (2.2%). The average interest rate taking into account interest rate hedges was 2.0% (2.6%).

The Group's equity attributable to the parent company shareholders amounted to EUR 297.6 (318.9) million and the Group's equity ratio decreased to 35.9% (41.4%). Non-cancellable minimum future off-balance sheet lease payments decreased to EUR 82.1 (89.4) million at the end of 2016, of which EUR 1.6 (1.1) million arose from leased rental equipment and machinery.

KEY PRIORITIES TO IMPROVE PROFITABILITY FOR 2017

For 2017 Ramirent has set determined actions to improve profitability. Key priorities include:

1. Improving the profitability of non-performing business units and areas, e.g. refocusing the Temporary Space business in Norway, reorganizing parts of the Solutions business in Sweden and Europe Central's business where profitability has been unsatisfactory.
2. Focus on productivity and cost reductions in IT as well as external materials and services spend.
3. Improving sales mix through an increased focus on the core General Rental Business.
4. Improving pricing through simplification and more effective pricing management systems

Ramirent's Group strategy and financial targets as communicated in the Capital Markets Day 2015 remain in force with an increased focus on General Rental. A comprehensive strategy update will be completed during 2017.

CHANGES IN GROUP STRUCTURE

During the year 2016, Ramirent Plc increased its ownership stake in Safety Solutions Jonsereds AB from 72.6% to 82.1%. In Finland, Teollisuuden Eristysveljet Oy was merged to Ramirent Finland Oy. In Norway, Ramirent divested its ownership in the associated assembly company Rogaland Montasje Bygg AS as part of reorganizations in the Temporary Space business.

REVIEW BY SEGMENT
FINLAND

Ramirent is the largest equipment rental company in Finland. Through a network of 56 customer centers, Ramirent provides its products and services nationwide.

KEY FIGURES (MEUR AND %)

	JAN–DEC 2016	JAN–DEC 2015	CHANGE
Net sales	180.4	160.2	12.6%
Comparable EBITA	23.0	20.3	13.0%
% of net sales	12.7%	12.7%	
Reported EBITA	24.0	21.1	13.8%
% of net sales	13.3%	13.2%	
Comparable ROCE (%) R12	18.0%	16.8%	
Reported ROCE (%) R12	18.8%	17.5%	

The strong momentum in the Finnish equipment rental market continued throughout the year fueled by growing new residential construction especially in urban growth centers and large non-residential construction projects.

The Finland segment's net sales growth was strong throughout the year, being 12.6% compared to the previous year. Sales grew in all business areas based on improved underlying demand in the construction and industrial sectors.

The segment's comparable EBITA increased to EUR 23.0 (20.3) million. Strong volume growth was the main driver for the profitability improvement. However, increased fixed costs due to strengthening the organization with new recruitments and insourced personnel as well as higher depreciation after a period of increased replacement investments had a negative impact on profitability. The segment's reported EBITA was positively affected by the derecognition of a contingent consideration liability, of EUR 1.0 million. Reported EBITA increased to 24.0 (21.1) million.

SWEDEN

Ramirent is the second largest equipment rental company in Sweden. Through a network of 78 customer centers, Ramirent provides its products and services nationwide.

KEY FIGURES (MEUR AND %)

	JAN–DEC 2016	JAN–DEC 2015	CHANGE
Net sales	237.0	225.4	5.2%
Comparable EBITA	28.8	29.4	−2.3%
% of net sales	12.1%	13.1%	
Reported EBITA	26.4	33.0	−19.8%
% of net sales	11.1%	14.6%	
Comparable ROCE (%) R12	12.2%	14.1%	
Reported ROCE (%) R12	11.0%	16.1%	

Overall market conditions in the Swedish equipment rental market remained favorable in 2016 as a result of the continued strong activity in the construction and industrial sector.

The Sweden segment's reported net sales increased by 5.2% and at comparable exchange rates by 6.5% compared to the previous year. Sales grew in all business areas driven by the continued favorable demand in the construction and industrial sector.

The segment's comparable EBITA declined to EUR 28.8 (29.4) million in January-December. In spite of good volume growth for the full-year, EBITA margin was burdened by costs for the reorganization of the hub structure, increased provisions for credit losses and slower than expected realization of price increases. Improved sales mix supported EBITA margin towards the end of the year. Actions to reorganize the Scaffolding solutions business were started in the second half of the year resulting in negative impact of EUR 2.2 million from scaffolding project reassessments and EUR 0.2 million in reorganization costs. The comparison period included the derecognition of a contingent consideration liability amounting to EUR 3.8 million. Reported EBITA declined to EUR 26.4 (33.0) million.

NORWAY

Ramirent is the largest equipment rental company in Norway. Through a network of 42 customer centers, Ramirent provides its products and services nationwide.

KEY FIGURES (MEUR AND %)

	JAN–DEC 2016	JAN–DEC 2015	CHANGE
Net sales	120.2	120.7	−0.4%
Comparable EBITA	7.6	7.0	8.4%
% of net sales	6.3%	5.8%	
Reported EBITA	1.7	6.5	−74.4%
% of net sales	1.4%	5.4%	
Comparable ROCE (%) R12	4.1%	4.2%	
Reported ROCE (%) R12	−1.2%	3.8%	

In 2016, the market situation varied markedly between geographical regions with slow underlying demand in Western parts of the country and improving or stable activity in other regions.

The Norway segment's reported net sales remained on a par with the previous year's level but increased by 3.5% at comparable exchange rates. Demand in General Rental increased especially in the building construction sector during the second half of the year. In Solutions, demand remained fairly stable throughout the year. In Temporary Space, demand improved slightly in the Public sector but due to continued weak demand in the Oil & Gas sector some excess fleet was sold and relocated to the Swedish market.

The segment's comparable EBITA increased to EUR 7.6 (7.0) million in January-December. Sales growth supported EBITA but lower volumes in Temporary Space business impacted negatively on profitability. Reported EBITA was affected by asset write-downs of EUR 5.9 million related to the discontinuation of the highly customized non-standard modules business mainly offered to customers in the Oil & Gas sector. The Temporary Space business will be refocused on rental of standardized high-class modules. Reported EBITA decreased to EUR 1.7 (6.5) million. In addition, EBIT was affected by an impairment loss on associated company shares of EUR 0.8 million related to the Temporary Space business area.

DENMARK

Ramirent is the third largest equipment rental company in Denmark. Ramirent provides its products and services through a network of 13 customer centers.

KEY FIGURES (MEUR AND %)

	JAN–DEC 2016	JAN–DEC 2015	CHANGE
Net sales	41.7	42.3	-1.3%
Comparable EBITA	2.3	0.8	201.3%
% of net sales	5.5%	1.8%	
Reported EBITA	2.3	0.3	n/a
% of net sales	5.5%	0.7%	
Comparable ROCE (%) R12	6.4%	1.3%	
Reported ROCE (%) R12	6.4%	-0.5%	

In Denmark, the overall market conditions in the equipment rental market were fairly good in 2016.

The Denmark segment's net sales decreased by 1.3% and at comparable exchange rates by 1.5%. In General Rental, demand was supported by good activity in residential construction and growing renovation especially in the first half of the year. Good demand for temporary space rental continued throughout the year. In addition, higher sales of used equipment had a positive impact on sales and profits.

The segment's comparable EBITA increased to EUR 2.3 (0.3). Despite lower volumes, EBITA improved mainly due to lower fixed costs and better control of material and services costs. Systematic cost reduction measures throughout the year have resulted in a lower cost base in the operations.

EUROPE EAST

The Europe East segment includes operations in Estonia, Latvia and Lithuania as well as operations of the joint venture company Fortrent Group in Russia and Ukraine. Ramirent is the largest equipment rental company in the Baltics. Through a network of 43 customer centers, Ramirent provides its products and services nationwide in all three countries.

KEY FIGURES (MEUR AND %)

	JAN–DEC 2016	JAN–DEC 2015	CHANGE
Net sales	34.4	34.1	1.0%
Comparable EBITA	6.6	7.2	-8.6%
% of net sales	19.2%	21.2%	
Reported EBITA	7.1	7.2	-1.4%
% of net sales	20.7%	21.2%	
Comparable ROCE (%) R12	11.6%	15.0%	
Reported ROCE (%) R12	12.6%	15.0%	

Equipment rental markets in Estonia and Lithuania remained fairly active in 2016, whereas in Latvia market conditions were affected by declining construction output and price pressure.

The Europe East segment's net sales increased by 1.0% compared to the previous year. Sales growth was mainly driven by good demand in the Estonian market. In Lithuania sales remained stable while decreasing in Latvia.

The segment's comparable EBITA decreased to EUR 6.6 (7.2) million in January-December. During the year, a number of cost reduction measures were implemented in Latvia due to weaker market activity. In Estonia, EBITA improved as a result of strong rental sales and improved control of material and service costs. The share of the consolidated net result from Fortrent Group to Ramirent for January-December increased to EUR 1.4 (0.4) million. Full-year 2016 reported EBITA decreased to EUR 7.1 (7.2) million.

FORTRENT – JOINT VENTURE COMPANY IN RUSSIA AND UKRAINE

Fortrent is the largest foreign equipment rental company in Russia. The group's operations focus on St. Petersburg, Moscow, Yekaterinburg, Rostov-on-Don and Nizhny Novgorod in Russia as well as three locations in Ukraine.

Market conditions in Russia and Ukraine stabilized somewhat towards the end of the year. Regional differences, however, remained high throughout the year.

The Fortrent Group's net sales were down by 4.2% and amounted to EUR 29.2 (30.5) million but at comparable exchange rates increased by 4.6%. Demand started to recover in the second half of the year after a slow start to the year. Demand was strongest in Moscow, while low construction activity impacted on sales in St. Petersburg. In the other regions, sales growth was mainly supported by sales of modules to large industrial project in Volga region.

January-December EBITA increased to EUR 3.2 (2.2) million. Fortrent successfully adjusted its cost base to prevailing market conditions. Profitability was positively impacted by good development in Moscow and expansion of operations into new regions, which was further supported by sales of modules in Volga region. Fortrent's reported net result improved to EUR 2.8 (0.8) million in January-December. Excluding items affecting comparability, Fortrent's comparable net result increased to EUR 1.7 (0.8) million.

EUROPE CENTRAL

The Europe Central segment includes Poland, the Czech Republic and Slovakia. Ramirent is the largest equipment rental company in Europe Central countries. Ramirent provides its products and services through a network of 58 customer centers.

KEY FIGURES (MEUR AND %)

	JAN–DEC 2016	JAN–DEC 2015	CHANGE
Net sales	55.8	55.4	0.6%
Comparable EBITA	4.4	3.3	33.8%
% of net sales	7.9%	5.9%	
Reported EBITA	3.9	3.3	19.3%
% of net sales	7.0%	5.9%	
Comparable ROCE (%) R12	7.2%	5.6%	
Reported ROCE (%) R12	6.4%	5.6%	

Activity in the equipment rental markets improved towards end of the year especially in Poland and Slovakia. Declining construction output impacted negatively on the equipment rental market in the Czech Republic.

The Europe Central segment's reported net sales remained at the previous year's level but were up by 3.7% at comparable exchange rates. In General Rental, demand remained stable in Poland, increased in Slovakia and declined slightly in the Czech Republic due to the more challenging market conditions. In Solutions, net sales development was supported in the first half of the year by demand in large industrial projects in Poland.

The segment's comparable EBITA increased to EUR 4.4 (3.3) million. Comparable EBITA improved due to the favorable development in Poland, while a slow start to the year in Slovakia and Czech Republic impacted negatively on EBITA. However, improved pricing started to support profitability in 2016. Reorganization actions started to contribute to improving profitability in the last quarter of 2016. Reported EBITA included a restructuring provision of EUR 0.5 million related to these reorganization actions. Reported EBITA increased to EUR 3.9 (3.3) million.

PERSONNEL AND NETWORK

At the end of December 2016, Ramirent had 2,686 (2,654) full time equivalent employees (FTE). Ramirent continued its work to develop the safety culture in the Group. Ramirent's accident frequency (accidents per million working hours) was at 9.3 (7.7) in January-December 2016.

	AVERAGE PERSONNEL (FTE)			CUSTOMER CENTRES		
	2016	2015	2014	2016	2015	2014
Finland	498	468	522	56	56	66
Sweden	757	773	706	78	78	77
Norway	401	405	422	42	42	43
Denmark	141	146	154	13	13	16
Europe East	258	250	238	43	44	42
Europe Central	491	486	469	58	55	58
Group administration and services	161	110	55	–	–	–
Total	**2,706**	**2,639**	**2,566**	**290**	**288**	**302**

CHANGES IN THE GROUP MANAGEMENT TEAM

On August 8, 2016 Tapio Kolunsarka assumed his position as the President and Chief Executive Officer of Ramirent Plc. Ramirent announced the appointment of Tapio Kolunsarka on February 23, 2016. As of May 1, 2016 Tapio Kolunsarka started working at Ramirent alongside former President and CEO Magnus Rosén who resigned from Ramirent on August 8 to pursue his career outside the company.

On August 18, 2016 Ramirent announced a new simplified Group Management structure, consisting of the members of the Executive Management Team (EMT). Previously there had also been an extended Group Management Team (GMT) consisting also of Senior Vice Presidents in addition to the EMT members. It was also announced that a new EVP of Human Resources would be recruited to be part of the new EMT.

On November 30, 2016 Ulrika Dunker (41) was appointed as Executive Vice President responsible for Human Resources and a member of Ramirent Plc's Executive Management Team. Ulrika Dunker reports to President and CEO Tapio Kolunsarka and assumed her position at Ramirent after the review period on February 6, 2017.

The new Group Executive Management Team composition is as follows:

- Tapio Kolunsarka, President and CEO
- Pierre Brorsson, EVP and CFO
- Ulrika Dunker, EVP, Human Resources
- Øyvind Emblem, EVP, Norway
- Mikael Kämpe, EVP, Finland
- Dino Leistenschneider, EVP, Fleet and Sourcing
- Heiki Onton, EVP, Baltics and Europe Central
- Jonas Söderkvist, EVP, Sweden and Denmark

TRADING IN SHARES

Ramirent Plc's market capitalization at the end of 2016 was EUR 803.3 (701.1) million. The market capitalization was EUR 796.3 (694.9) million excluding the company's treasury shares. The share price closed at EUR 7.39 (6.45). The highest quotation for the period January–December 2016 was EUR 7.91 (8.29), and the lowest EUR 5.05 (6.03). The volume weighted average trading price was EUR 6.51 (6.90).

The value of share turnover in January–December 2016 was EUR 361.7 (269.3) million, equivalent to 55,577,242 (38,995,876) traded Ramirent shares, i.e. 51.6% (35.9%) of Ramirent's number of shares outstanding. The average daily trading volume was 219,673 (155,362) shares, representing an average daily turnover of EUR 1,429,797 (1,072,908).

At the end of 2016, Ramirent Plc's share capital was EUR 25.0 million, and the total number of Ramirent shares outstanding was 107,749,314 (107,736,679). Ramirent Plc held 948,014 (960,649) of the Company's own shares at the end of the year, representing 0.87% (0.88%) of the total number of Ramirent's shares. No own shares were acquired during the year of 2016.

On August 19, 2016 Ramirent Plc received a flagging notification from Nordstjernan AB that their ownership stake in Ramirent Plc had fallen below the threshold of 25 percent.

On September 27, 2016 Ramirent Plc received a flagging notification from mutual funds managed by Nordea Funds Oy that their ownership stake in Ramirent Plc had fallen below the threshold of 5 percent.

LONG-TERM INCENTIVE PROGRAM 2016

On February 11, 2016 the Board of Directors of Ramirent Plc approved a new Long-term incentive program for the executives of the company. The potential reward from the program 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).

LONG-TERM INCENTIVE PROGRAM 2017

On December 14, 2016 the Board of Directors of Ramirent Plc approved a new Deferred Incentive Plan (DIP) for 2017 to maximally support the company's short-term key priority of delivering improved EBITA and to offer key employees a competitive reward and retention program. This plan will serve in 2017 as the Long-term Incentive Program as it has been called in previous years. The new incentive plan includes one earning period, calendar year 2017, with a lock-up period of two years after which the potential reward will be paid in cash in 2020. The incentive plan has been extended to include approximately 120 key employees, including the members of the Executive Management Team.

The potential reward from the incentive plan for the earning period 2017 will be based on the participant's short term incentive plan targets. In addition, to combine the objectives of the shareholders and the Executive Management Team, the total reward potential for Executive Management Team members will also be based on the Group's Total Shareholder Return (TSR) for the earning period 2017 and the two-year lock-up period. The maximum reward of the new Deferred Incentive Plan 2017 to be paid in cash in 2020 will correspond to up to 3.7 million euros.

SETTLEMENT OF THE LONG-TERM INCENTIVE PROGRAM 2013

The Board of Directors of Ramirent Plc decided on 10 February 2016 on a directed share issue for the reward payment from the Long-term incentive program 2013. In the share issue 12,635 existing Ramirent shares were issued and conveyed without consideration to the key persons participating in the program. The value of the issued shares, EUR 88 950 was recognized in the invested unrestricted equity fund.

DECISIONS OF THE ANNUAL GENERAL MEETING 2016

Ramirent Plc's Annual General Meeting (AGM) 2016, which was held on March 17, 2016 adopted the 2015 annual financial accounts and discharged the members of the Board of Directors and the President and CEO from liability. The dividend of EUR 0.40 per share was paid to shareholders in April 2016 in accordance with the AGM's decision.

The number of members of the Board of Directors was confirmed to be seven. Board members Ulf Lundahl, Susanna Renlund, Kevin Appleton, Kaj-Gustaf Bergh, Anette Frumerie, Tobias Lönnevall and Mats O Paulsson were re-elected for the term that will continue until the end of the next Annual General Meeting. In the formative meeting, the Board elected Ulf Lundahl to continue as Chairman and Susanna Renlund as Deputy Chairman.

The following remuneration for the Board was approved by the AGM: for the Chairman EUR 3,800 per month and additionally EUR 1,600 for attendance at meetings; for the Vice-Chairman EUR 2,500 per month and additionally EUR 1,300 for attendance at meetings; and for the members EUR 2,250 per month and additionally EUR 1,000 for attendance at meetings.

PricewaterhouseCoopers Oy ("PwC") was re-elected 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 AGM.

The AGM authorized the Board of Directors to decide on the repurchase of a maximum of 10,869,732 Company's own shares. The share purchase authorization is valid until the next Annual General Meeting. In addition, the AGM authorized the Board of Directors to decide on the issuance of a maximum of 10,869,732 new shares and/or conveyance of a maximum of 10,869,732 Company's own shares. The authorization is valid until March 17, 2021.

The minutes of the AGM are available on Ramirent's website at www.ramirent.com

LONG-TERM STRATEGIC FOCUS THEMES AND FINANCIAL TARGETS

Ramirent Group's long-term financial targets and strategic focus themes remain in effect with an increased focus on General Rental business area. A comprehensive strategy update will be completed during 2017.

STRATEGIC FOCUS THEMES

1. **Excellent customer service and efficiency in General Rental**
   General Rental business area is the "center of gravity" of Ramirent, where the objective is to fulfill 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.
2. **Customers' business simplified with Solutions**
   Customized rental solutions deliver value throughout the project life-cycle by helping customers move from several suppliers to one organization, reducing lead times, risks and costs while improving job site productivity. 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 the industry sector, Ramirent aims to grow with high-end accommodation and office modules and in the public sector with

module systems adapted for e.g. preschools, schools, and health centers.

4. **Optimized fleet and supply chain**
   Ramirent sees further opportunities to support profitable growth by optimizing the flow, efficiency and service level in its fleet management and supply chain.
5. **Realizing the synergies of the One Company platform**
   Ramirent's objective is to leverage the synergies of One Ramirent to outperform the competition in competence and cost-efficiency

LONG-TERM FINANCIAL TARGETS

Ramirent's financial targets support Ramirent's profitable growth strategy:

- 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

RISK MANAGEMENT AND BUSINESS RISKS

Risks are events or circumstances, which, if materialized, 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 achievement of objectives.

The Board of Directors approves the Risk Management Policy. The risk management process is continuous. Regular risk assessments are conducted as part of the business planning and reported to the Board quarterly. An essential part of Ramirent's risk management is to maintain and develop appropriate insurance coverage of our fleet. Group insures personnel, financial, operative and hazard risks, which after risk management measures remain above Group's risk retention limit and are cost-effective to insure.

Ramirent Risk Management Policy has been developed based on the COSO ERM Framework, the ISO 31000 standard "Risk Management - Principles and Guidelines" and corporate governance best practices. The Risk Management Policy has been a starting point for other policies in Ramirent, also the Internal Control Policy which has been developed based on the COSO 2013 framework.

The 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 relate to economic cycles and changes in strategies of our customers, product requirements or environmental aspects. Ramirent strives to reduce risk by seeking contracts with longer durations and maintaining a large diversified customer base covering a wide range of industry sectors although the construction sector is still the largest single customer sector.

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 a competitive product and service offering.

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

A common fleet structure has been created. Ramirent has identified further opportunities to support profitable growth by optimizing the flow, efficiency and service level in fleet management and supply chain. Ramirent aims to achieve this by optimizing its equipment assortment, balancing demand and supply, maximizing fleet availability and at the same time reducing operational costs.

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.

The companies in the Ramirent Group share common basic processes, infrastructure and to a certain degree business systems. With that backbone Ramirent aims to leverage synergies and create stability, yet being flexible and adaptive in all of its local markets. Ramirent continues to develop the performance culture and drive continuous improvements that will in the end generate shared value for the Group and its customers.

Operating in diversified markets includes risks of non-compliance with the local laws and regulations. Special attention to local laws and regulations is given when drafting common operating principles and procedures.

Ramirent has a decentralized organization model, which implies a high degree of autonomy for its business units. Managing business in such organization imposes requirements on reporting and control, which may be cumbersome for the organization and could make it difficult for Group management to implement measures quickly at 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 parties 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 minimize 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

The Board of Directors of Ramirent Plc has on February 16, 2017 decided on a directed share issue for the reward payment from Ramirent Long-term incentive program 2014. A total of 18,920 of Ramirent Plc's treasury shares are conveyed without consideration to the key employees participating in the Ramirent Long-term incentive program 2014 under the terms and conditions of the plan.

In addition, a total of 228,344 of Ramirent Plc's treasury shares are conveyed without consideration to the management of Ramirent's subsidiary Safety Solutions Jonsereds AB as a part of the purchase price for the minority stake.

Following the directed share issue, the number of treasury shares stands at 700,750 shares.

MARKET OUTLOOK FOR 2017

Ramirent's market outlook is based on the available forecasts disclosed by local construction and industry associations in its operating countries.

In 2017, Nordic equipment rental market is expected to grow by approximately 2%. In Finland, market conditions are expected to remain favorable supported by growing new residential construction and large non-residential construction projects. In Sweden, high activity in the construction sector is expected to drive demand for rental and related services throughout the country. The Danish and Norwegian equipment rental markets are estimated to remain fairly stable or grow slightly. In the Baltics, the market situation remains mixed, with challenging market conditions in Latvia, while activity is expected to improve in Estonia and Lithuania. In Fortrent markets, in Russia and Ukraine, countries are in the early stages of an economic recovery which is likely to start supporting construction and equipment rental. In Poland and Slovakia, the equipment rental markets are supported by new project start-ups both in the construction and industrial sector. Market outlook is more subdued in the Czech Republic due to low activity in the construction market.

RAMIRENT'S GUIDANCE FOR 2017

In 2017, Ramirent's comparable EBITA is expected to increase from the level in 2016.

PROPOSAL OF THE BOARD ON THE USE OF DISTRIBUTABLE FUNDS

The parent company's distributable equity on December 31, 2016 amounted to EUR 270,801,022.76 of which the net result from the financial year 2016 is EUR -545,151.16.

The Board of Directors proposes to the Annual General Meeting 2017 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 December 31, 2016. 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. The dividend is proposed to be paid in two equal installments of EUR 0.20 per share, the first with record date March 20, 2017 and the second with record date September 18, 2017. If the Meeting decides as proposed, the first installment is expected to be paid on April 4, 2017 for shareholders whose shares are registered in Euroclear Finland Ltd and on April 5, 2017 for shareholders whose shares are registered in Euroclear Sweden AB. The second installment is expected to be paid on October 3, 2017 and respectively, on October 4, 2017. The Board of Directors is authorized to set a new dividend record date and payment date for the second installment of the dividend, in case the rules and regulations of the Finnish book-entry system would be changed, or otherwise so require, prior to the payment of the second installment. The proposed dividend represents a 195% (111%) payout ratio for 2016 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 2016 financial statements. The dividends paid in 2016 were EUR 0.40 per share totaling EUR 43,099,725.60.

CORPORATE GOVERNANCE STATEMENT

Ramirent has issued a Corporate Governance Statement for financial year 2016. It has been issued as a separate report which is available in Ramirent's Financial Statements 2016 and on the company's web pages at www.ramirent.com.

ANNUAL GENERAL MEETING 2017

Ramirent's Annual General Meeting 2017 will be held on March 16, 2017 at 10:00 a.m. at Finlandia Hall, Mannerheimintie 13e, Helsinki, Finland. The reception of persons who have registered for the meeting and the distribution of voting tickets will commence at 09:00 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 1,000)	NOTE	JAN–DEC 2016	JAN–DEC 2015
NET SALES		**665,164**	**635,608**
Materials and services	6	-245,875	-238,499
GROSS PROFIT		419,288	397,109
Other operating income	5	2,297	7,300
Employee benefit expenses	7	-164,950	-151,383
Other operating expenses	8	-88,894	-85,519
Share of result of associates and joint ventures	15	1,309	543
Depreciation, amortization and impairment charges	9	-130,697	-110,110
OPERATING RESULT (EBIT)		**38,353**	**57,941**
Financial income	10	9,179	13,045
Financial expenses	10	-19,428	-24,131
Total financial income and expenses	10	-10,249	-11,086
EARNINGS BEFORE TAXES (EBT)		**28,104**	**46,855**
Income taxes	11	-6,273	-8,057
RESULT FOR THE PERIOD		**21,832**	**38,797**
Result for the period attributable to:			
Shareholders of the parent company		22,081	38,975
Non-controlling interests		-249	-178
TOTAL		21,832	38,797
Earnings per share (EPS) on parent company shareholders' share of result			
Basic, EUR	12	0.20	0.36
Diluted, EUR	12	0.20	0.36

The notes are an integral part of these consolidated financial statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(EUR 1,000)	NOTE	JAN–DEC 2016	JAN–DEC 2015
RESULT FOR THE PERIOD		**21,832**	**38,797**
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Remeasurement of defined benefit obligation, net of tax	11,23	-940	1,007
Items that may be reclassified to profit or loss in subsequent periods:			
Translation differences		-3,285	-769
Cash flow hedges, net of tax	11	323	211
Share of other comprehensive income of associates and joint ventures	11,15	3,348	-2,033
Available for sale financial assets		–	-6
Total		**385**	**-2,597**
OTHER COMPREHENSIVE INCOME FOR THE PERIOD		**-555**	**-1,590**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**21,277**	**37,207**
Total comprehensive income for the period attributable to:			
Shareholders of the parent company		21,526	37,386
Non-controlling interests		-249	-178
Total		**21,277**	**37,207**

The notes are an integral part of these consolidated financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(EUR 1,000)	NOTE	DEC 31, 2016	DEC 31, 2015
ASSETS			
Non-current assets			
Goodwill	13	138,499	139,656
Other intangible assets	13	29,668	46,361
Property, plant and equipment	14	495,334	425,645
Investments in associates and joint ventures	15	8,082	4,296
Non-current receivables	16	13,751	15,277
Available-for-sale financial assets	17	101	134
Deferred tax assets	18	578	852
Total non-current assets		**686,013**	**632,221**
Current assets			
Inventories	19	11,194	15,912
Trade and other receivables	20	124,428	117,450
Current tax assets		6,850	4,420
Cash and cash equivalents	21	1,570	571
Total current assets		**144,041**	**138,353**
TOTAL ASSETS		**830,054**	**770,574**
EQUITY AND LIABILITIES			
Equity			
Share capital	22	25,000	25,000
Revaluation fund		-443	-770
Invested unrestricted equity fund		113,951	113,862
Retained earnings from previous years		136,979	141,819
Result for the period		22,081	38,975
Equity attributable to the parent company shareholders		297,568	318,886
Non-controlling interests		-	199
Total equity		**297,568**	**319,085**
Non-current liabilities			
Deferred tax liabilities	18	47,427	49,183
Pension obligations	23	20,005	18,009
Non-current provisions	24	589	2,234
Non-current interest-bearing liabilities	25	186,991	183,220
Other non-current liabilities	26	4,749	9,446
Total non-current liabilities		**259,762**	**262,091**
Current liabilities			
Trade payables and other liabilities	27	108,579	87,532
Current provisions	24	1,834	920
Current tax liabilities		1,885	2,740
Current interest-bearing liabilities	25	160,426	98,206
Total current liabilities		**272,724**	**189,398**
Total liabilities		**532,486**	**451,489**
TOTAL EQUITY AND LIABILITIES		**830,054**	**770,574**

The notes are an integral part of these consolidated financial statements

CONSOLIDATED CASH FLOW STATEMENT

(EUR 1,000)	NOTE	JAN–DEC 2016	JAN–DEC 2015
Cash flow from operating activities			
Earnings before taxes (EBT)		28,104	46,855
Adjustments			
Depreciation, amortization and impairment charges	9	130,697	110,110
Adjustment for proceeds from sale of used rental equipment		8,992	9,023
Financial income and expenses	10	10,249	11,086
Other adjustments		306	-8,184
Cash flow from operating activities before change in working capital		**178,348**	**168,890**
Change in working capital			
Change in trade and other receivables		-10,377	-9,903
Change in inventories		1,711	-3,776
Change in non-interest-bearing liabilities		15,280	2,658
Cash flow from operating activities before interest and taxes		**184,962**	**157,868**
Interest paid		-8,024	-8,858
Interest received		826	543
Income tax paid		-9,815	-13,227
Net cash generated from operating activities		**167,951**	**136,327**
Cash flow from investing activities			
Acquisition of businesses and subsidiaries, net of cash		-835	-11,984
Investment in associates and joint ventures		–	-736
Investment in tangible non-current assets (rental machinery)		-165,836	-123,766
Investment in other tangible non-current assets		-21,716	-3,527
Investment in intangible non-current assets		-3,256	-6,371
Proceeds from sale of tangible and intangible non-current assets (excluding used rental equipment)		579	410
Proceeds from sales of other investments		–	750
Loan receivables, increase, decrease and other changes		2,340	2,389
Proceeds from sale of associated companies		84	–
Received dividends		31	182
Net cash flow from investing activities		**-188,609**	**-142,654**
Cash flow from financing activities			
Paid dividends		-43,100	-43,095
Changes in ownership interests in subsidiaries		-1,441	-5,475
Borrowings and repayments of short-term debt (net)		70,181	71,605
Borrowings of non-current debt		87,561	–
Repayments of non-current debt		-91,543	-19,267
Net cash flow from financing activities		**21,658**	**3,768**
Net change in cash and cash equivalents during the financial year		**999**	**-2,559**
Cash at the beginning of the period		571	3,129
Change in cash		999	-2,559
Cash at the end of the period		1,570	571

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 SHARE-HOLDERS OF THE PARENT COMPANY	NON-CONTROLLING INTERESTS	TOTAL EQUITY
EQUITY JAN 1, 2015	**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 of associates and joint ventures	-	-	-	-2,033	-	-2,033	-	-2,033
Available for sale financial assets	-	-6	-	-	-	-6	-	-6
Result 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 DEC 31, 2015	**25,000**	**-770**	**113,862**	**-38,514**	**219,309**	**318,886**	**199**	**319,085**
Translation differences	-	5	-	-3,290	-	-3,285	-	-3,285
Remeasurement of defined benefit obligation	-	-	-	-	-940	-940	-	-940
Cash flow hedges	-	323	-	-	-	323	-	323
Share of other comprehensive income of associates and joint ventures	-	-	-	3,348	-	3,348	-	3,348
Result for the period	-	-	-	-	22,081	22,081	-249	21,832
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**-**	**328**	**-**	**57**	**21,141**	**21,526**	**-249**	**21,277**
Share based payments	-	-	-	-	217	217	-	217
Issue of treasury shares	-	-	89	-	-	89	-	89
Dividend distribution	-	-	-	-	-43,100	-43,100	-	-43,100
Changes in ownership interests in subsidiaries	-	-	-	-	-50	-50	50	-
TOTAL TRANSACTIONS WITH SHAREHOLDERS	**-**	**-**	**89**	**-**	**-42,933**	**-42,844**	**50**	**-42,793**
EQUITY DEC 31, 2016	**25,000**	**-443**	**113,951**	**-38,457**	**197,517**	**297,568**	**-**	**297,568**

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 organized 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 2016 – Finland, Sweden, Norway, Denmark, Estonia, Latvia, Lithuania, Poland, Czech Republic and Slovakia. The business operations were conducted from a total of 290 (288) rental outlets located in these countries. In Russia and Ukraine the operations were carried out through a joint venture.

At the end of 2016 Ramirent employed 2,686 (2,654) people. The consolidated net sales amounted to EUR 665.2 (635.6) million, of which 73% (75%) was generated outside Finland.

These consolidated financial statements were authorized for issue by the Board of Directors on February 16, 2017.

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 December 31, 2016 that are applicable to Ramirent's business operations, including all SIC and IFRIC interpretations thereon, have been complied with when preparing both year 2016 and comparative year 2015 figures. The notes to the consolidated financial statements conform also with the Finnish accounting and company legislation.

NEW IFRS STANDARDS, INTERPRETATIONS AND AMENDMENTS TO EXISTING STANDARDS EFFECTIVE IN 2016

Ramirent has adopted the following amended standards and interpretations from January 1, 2016:

- Amendments to IFRS 10, IFRS 12 and IAS 28: Investment entities – Applying the consolidation exception.
- Amendments to IAS 27: Equity method in separate financial statements,
- Amendments to IAS 1: Disclosure initiative,
- Annual improvements to IFRSs 2012-2014 cycle,
- Amendments to IAS 16 and IAS 38: Clarification of acceptable methods of depreciation and amortization,
- Amendments to IFRS 11 Joint arrangements: Accounting for acquisitions of interests in joint operations, 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.
- Amendments to IAS 16 and IAS 41: Bearer plants.

The above amendments did not have any material impact on Ramirent's financial reporting.

Consolidated financial statements have been presented in thousand euros 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 the profit or loss. In addition, amounts previously recognized in other comprehensive income in respect of the disposed subsidiary are reclassified to the profit or loss. If the parent company retains control, impacts from changes in ownership in a subsidiary are recognized 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 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 recognized as assets. Any contingent consideration will be measured at fair value and subsequently re–measured through the profit or loss. All acquisition–related costs, such as professional fees, are expensed through the 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 currencies 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 unrealized profits as well as internal distribution of profit are eliminated. Unrealized losses are eliminated in the same way as unrealized 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 no 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 recognized at cost and adjusted thereafter to recognize 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 recognized 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 recognize further losses, unless it has incurred obligations or made payments on behalf of the entity. Acquisition related costs are included in the investment value for arrangements carried out before 2016. Starting from 2016 Ramirent applies the principles of IFRS 3 Business Combinations for joint operations that constitute a business. Acquisition related costs are expensed through profit or loss when incurred.

Unrealized 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. Unrealized 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 realization of the long term incentive programs (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 utilized thus giving rise to recognition of deferred income tax assets (note 18),
- measurement of fair value of assets acquired in 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 translation of monetary assets and liabilities denominated in foreign currencies for operating items are recognized in other operating expenses in the income statement, whereas those stemming from financing items are recognized in financial income and expenses in the 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 recognized 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 recognized 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 to the 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 Baltics 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 income, 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 utilize 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 recognized on a straight line basis over the term of the relevant lease. Revenues from services are recognized 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 recognized in net sales on a gross basis.

Income from sale of inventories and sale of rental machinery and equipment is recognized 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 recognized as material and service expenses.

EMPLOYEE BENEFITS

PENSION OBLIGATIONS

The Group companies have organized 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 recognized 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 recognizes all actuarial gains and losses arising from defined benefit plans 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 programs for its key managers. Any reward is subject to achievement of the targets set by the Board of Directors.

The incentive programs are partly equity–settled and partly cash–settled. The costs are accrued over the vesting period for each program. 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 recognized as an expense with a corresponding credit to equity. The part of the reward that is settled in cash is recognized 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 recognized in the profit or loss for the year. The cash–settled portion relates to personal taxes and other employer's contributions.

OPERATING RESULT BEFORE AMORTIZATION AND IMPAIRMENT OF INTANGIBLE ASSETS (EBITA)

The operating profit or loss before amortization 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 RESULT (EBIT)

Operating result (EBIT) is calculated from EBITA by subtracting amortization 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 recognized as an expense in the profit or loss when incurred.

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 recognized in the 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 recognized on subsidiary retained earnings to the extent that it is not probable that the timing difference will materialize 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 recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Income taxes on items recognized in other comprehensive income are also recognized 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 recognized as assets. Goodwill is not amortized, but instead it is subject to 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 segments Finland, Sweden, Norway and Denmark each form one CGU. The Baltics and Europe Central–segment (Poland, the Czech Republic and Slovakia) also each form one CGU. An impairment charge on goodwill is recognized 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 recognized after the acquisition date. An impairment loss on goodwill is never reversed.

OTHER INTANGIBLE ASSETS

An intangible asset is recognized 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 amortization 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 amortization and accumulated impairment charges.

Other intangible assets with a finite economic useful life are amortized 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

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

Amortization 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 recognized as other operating income, whereas losses are recognized as other operating expenses in the profit or loss.

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TANGIBLE ASSETS

A tangible asset is recognized 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 capitalization 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 capitalized in the balance sheet, but instead recognized as expenses in the profit or loss. Ordinary repair and maintenance expenditures are expensed to the 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 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
- Itemized 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–itemized rental machinery, fixtures and equipment 3–10 years
  - Scaffolding
  - Formwork and supporting fixtures
  - Other non–itemized 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 recognized in the profit or loss. Sales income from sold rental machinery and equipment is recognized in net sales and the costs related to the sales are recognized as material and service expenses. Sales gains from sold other tangible assets are recognized as other operating income and sales losses are recognized 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 amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized 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 utilization rate and in cases where the utilization rate is low the need for impairment is considered. An impairment loss is recognized when an asset’s carrying amount is higher than its recoverable amount. Impairment losses are recognized in the profit or loss.

A recognized 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 recognized. 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 recognized. An impairment loss on goodwill is never reversed.

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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

RAMIRENT AS LESSOR

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

RAMIRENT AS LESSEE

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 recognized as other operating expenses in the 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 the 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 realizable value. The net realizable 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, used rental machinery & equipment 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 amortized 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 recognized 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 recognized in the income statement. The net gain or loss recognized incorporates any dividend or interest earned on the financial asset and is included in other

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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 amortized 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 analyzed client by client and receivable by receivable to determine whether they are collectable.

LIABILITIES AT AMORTISED COST

All financial liabilities are initially recognized at fair value. In subsequent periods they are measured at amortized 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 recognized as financial expenses in profit or loss using the effective interest method.

Fees paid on the establishment of loan facilities are recognized 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 capitalized as a pre–payment for liquidity services and amortized 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 recognized 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 recognized in other comprehensive income and presented in the revaluation fund are recognized to financial income and expenses in the profit or loss. Changes in fair value are removed from other comprehensive income and recognized as financial expenses in the 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 amortized cost of a debt instrument and 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 recognized 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 2016 and 2015 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 foreign exchange forwards, and thus they have been classified as financial instruments at fair value through profit or loss. Their fair value changes are recognized fully as financial income or expenses in the profit or loss.

The hedging instruments are initially recognized 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

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market prices and rates by the banks. The change of the fair value is recognized 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 recognized as financial income or expenses in the profit or loss immediately.

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

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. 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 been realized at the reporting date.

NEW IFRS STANDARDS, INTERPRETATIONS AND AMENDMENTS TO EXISTING STANDARDS THAT ARE NOT YET EFFECTIVE AND HAVE NOT YET BEEN EARLY ADOPTED BY RAMIRENT

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 15 "Revenue from Contracts with Customers" (effective from January 1, 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. IFRS 15 will also increase disclosure requirements.

Primary activity in Ramirent Group relates to rental business, which is in scope of IAS 17 Leases and later, when effective, in scope of IFRS 16. Rental income represents approximately 60% of the total net sales in Ramirent Group. IFRS 15 does not have any effect on net sales that are in scope of Leases standard.

In Ramirent Group revenue from services is recognized when the service has been provided. Based on internal analysis in Ramirent Group it has been noted that IFRS 15 does not change current practice. In Ramirent Group also sale of used rental machinery and equipment and sale of inventory are in scope of IFRS 15 and no change in revenue recognition practice is identified due to implementation of IFRS 15. In sale of used rental machinery and equipment and sale of inventory the control is transferred to customer at the same point in time as currently under IAS 18, where revenue recognition criteria is transfer of "risks and rewards".

In Ramirent Group contracts with customers that are in scope of IFRS 15 do not include variable considerations or any significant financing components.

IFRS 15 requires an entity to recognize as an asset the incremental costs of obtaining contract with a customer and costs to fulfil a contract. In Ramirent Group cost related either to incremental costs of obtaining contract with a customer or costs to fulfil a contract have not been identified.

Disclosures required by IFRS 15 will increase the information about Revenue from Contracts with Customers. Disclosure requirements related to revenue recognition over time and incremental costs of obtaining contract with a customer and costs to fulfil a contract are not relevant to Ramirent Group.

Of the transition methods to IFRS 15 that are available Ramirent Group has elected the retrospective application in accordance with IAS 8 since no material monetary effects for implementation of this new standard has been identified.

IFRS 9 ”Financial Instruments” (effective from January 1, 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. The standard introduces a new, expected loss impairment model that will require more timely recognition of expected credit losses. 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.

IFRS 16 Leases (effective from January 1, 2019). The new leases standard will significantly increase the amount of leases that will be recognized as an asset and a liability in a lessees balance sheet. The new leases standard includes recognition exemptions for lessees related to short-term leases and leases for which the underlying asset is of low value. For lessors guidance related to classification of leases as finance leases and operating leases currently effective in IAS 17 are materially the same also in the new IFRS 16. Ramirent's current operating leases relate mainly to premises. Ramirent will make more detailed assessment of the impact over the next twelve months. Ramirent has not yet decided which transition option will be chosen. The standard has not yet been endorsed by the EU.

Amendments to IFRS 10 and IAS 28: Sale contribution of assets between an investor and its associate or joint venture (effective from January 1, 2017). The amendments will not have any material impact on Ramirent's financial reporting. The amendments have not yet been endorsed by the EU.

Amendments to IAS 12: Recognition of deferred tax assets for unrealized losses. The amendments will not have any material impact on Ramirent's financial reporting. The amendments have not yet been endorsed by the EU.

Amendments to IAS 7: Disclosure initiative. The amendments will not have any material impact on Ramirent's financial reporting. The amendments have not yet been endorsed by the EU.

Amendments to IFRS 2: Classification and measurement of share-based payment transactions. The amendments will not have any material impact on Ramirent's financial reporting. The amendments have not yet been endorsed by the EU.

Annual Improvements to IFRSs (2014-2016 cycle) (effective for financial years beginning on or after January 1, 2017 for IFRS12 and on or after January 1, 2018 for IFRS 1 and IAS 28). The changes will not have any material impact on Ramirent's financial reporting. The changes have not yet been endorsed by the EU.

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 organizational 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 minimize 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 centralized 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 is 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 purchases and sales, internal funding and net investments in 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 December 31, 2016, Ramirent had outstanding foreign exchange forwards of EUR 61.1 (43.1) million (nominal value) with a market value of EUR -0.3 (0.3) million.

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

EUR EXPOSURE IN COMPANIES REPORTING IN FOREIGN CURRENCY

(EUR 1,000)	2016	2015
Trade receivables	511	232
Trade payables	−1,237	−1,269
Total	**−726**	**−1,037**

INTEREST–BEARING DEBT BY CURRENCY

(EUR 1,000)	2016	2015
EUR	331,514	265,891
SEK	1,604	847
NOK	14,120	12,683
DKK	179	61
PLN	–	1,943
Total	**347,418**	**281,425**

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)	2016	2015
+/−10% change in EUR/SEK	-/+ 466	+/- 116
+/−10% change in EUR/NOK	-/+ 762	-/+ 2 429
+/−10% change in EUR/PLN	-/+ 136	+/- 1
+/−10% change in EUR/DKK	-/+ 340	+/- 34
+/−10% change in EUR against other currencies	-/+ 597	-/+ 455
+/−10% change in EUR Total	**-/+ 2 301**	**-/+ 2 734**

TRANSLATION RISK

Translation risk arises from the fact that, the financial needs of Group companies are funded partly through equity. In addition, the parent company provides internal funding in local currencies. 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 minimized when the Group's interest rate position of financial instruments is neutralizing 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 December 31, 2016 was 21.7 months and the hedging level for variable rate loans was 56.8%. Group Treasury is responsible for monitoring and updating the estimated interest rate benchmark position of Ramirent.

On December 31, 2016, Ramirent had outstanding interest rate swaps of EUR 97.7 (57.0) million (nominal value) with a market value of EUR −0.7 (−1.2) million.

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WEIGHTED AVERAGE MATURITY AND AVERAGE INTEREST RATE ON DECEMBER 31, 2016

(EUR 1,000)	WEIGHTED AVERAGE MATURITY (YEARS)	WEIGHTED AVERAGE INTEREST RATE (%)
Loans from financial institutions	4.7	1.53%
Bond	2.2	4.38%
Commercial papers	0.1	0.39%

WEIGHTED AVERAGE MATURITY AND AVERAGE INTEREST RATE ON DECEMBER 31, 2015

(EUR 1,000)	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%

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 DECEMBER 31, 2016

(EUR 1,000)	2016	2017	2018	2019	2020	2021	LATER
Debt, fixed rate	99,621	99,789	99,961	–	–	–	–
Debt, variable rate	247,797	87,636	87,656	87,656	87,656	75,000	–
Interest rate hedges	97,656	85,000	85,000	85,000	65,000	–	–

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

SENSITIVITY ANALYSIS

The following table demonstrates the sensitivity of Ramirent's profit or loss for 2016 and equity as at December 31, 2016 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 2015.

DECEMBER 31, 2016	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	−2,481	134	–	–
Interest rate swaps	977	−327	2,835	−1,273
Cash flow sensitivity (net)	**−1,504**	**−193**	**2,835**	**−1,273**

DECEMBER 31, 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**

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 minimize Ramirent's refinancing risk by spreading debt and 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 minimize 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 amortize during any one year more than 30% of the total interest–bearing debt, and if such situations occur, the Group Treasury is obliged to start negotiations to alter this structure no later than eighteen months before the planned amortization.

As of the end of 2016, Ramirent had funding from a committed term–loan facility in total of EUR 75.0 million, committed revolving credit facilities in total of EUR 320.0 million under two different agreements with financial institutions. Ramirent issued an inaugural unsecured senior bond of EUR 100.0 million in 2013. In addition, an uncommitted EUR 250.0 million domestic commercial paper program was used in 2016.

The average maturity of the committed debt facilities as of December 31, 2016 was 3.7 years. Ramirent's borrowing facilities with financial institutions will mature in 2020, 2021 and 2022. The bond will mature in 2019.

As at December 31, 2016 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 minimize 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 2016, Ramirent had EUR 153.9 (134.4) million or 23.1% (21.1%) of net sales of committed liquidity reserves readily available.

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The table below summarizes the contractual maturities of financial liabilities and including interest payments at balance sheet date:

DECEMBER 31, 2016

(EUR 1,000)

Non-derivative financial liabilities	CONTRACTUAL CASH FLOWS	CARRYING AMOUNT	2017	2018	2019	2020	2021	LATER
Committed loans from financial institutions	-98,673	-87,370	-1,367	-1,587	-1,806	-2,025	-14,900	-76,988
Bond	-113,125	-99,621	-4,375	-4,375	-104,375	-	-	-
Commercial papers	-155,087	-155,000	-155,087	-	-	-	-	-
Bank overdrafts	-5,486	-5,426	-5,486	-	-	-	-	-
Contingent considerations and deferred payments on acquisitions	-9,232	-7,446	-2,824	-457	-3,654	-610	-1,688	-
Trade payables	-33,012	-33,012	-33,012	-	-	-	-	-
Total	-414,615	-387,875	-202,151	-6,419	-109,834	-2,635	-16,588	-76,988
Derivative financial liabilities								
Interest rate swaps (fair value)	-741	-741	-285	-169	-169	-106	-13	-
Foreign exchange forwards (fair value)	-346	-346	-346	-	-	-	-	-
Total	-1,087	-1,087	-631	-169	-169	-106	-13	-
Total	**-415,702**	**-388,962**	**-202,782**	**-6,588**	**-110,003**	**-2,741**	**-16,601**	**-76,988**

DECEMBER 31, 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**

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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 2016 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 customer specific analysis.

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

ANALYSIS OF TRADE RECEIVABLES BY AGE

(EUR 1,000)	GROSS 2016	ACCUMULATED ALLOWANCE FOR BAD DEBT 2016	GROSS 2015	ACCUMULATED ALLOWANCE FOR BAD DEBT 2015
Undue trade receivables	85,554	–	70,599	–
Trade receivables 1–30 days overdue	18,410	–	17,984	–
Trade receivables 31–90 days overdue	5,031	-445	5,932	–
Trade receivables 91–180 days overdue	1,150	-1,150	2,129	-863
Trade receivables 181–360 days overdue	1,338	-1,338	2,053	-1,831
Trade receivables more than 360 days overdue	5,194	-5,036	6,858	-6,654
Total	**116,676**	**-7,969**	**105,554**	**-9,348**

THE MOVEMENT IN THE ALLOWANCE FOR BAD DEBT IN RESPECT OF TRADE RECEIVABLES DURING THE YEAR WAS AS FOLLOWS:

(EUR 1,000)	2016	2015
Allowance for bad debt on January 1	-9,348	-12,877
Exchange rate differences	78	-3
Increase during the financial year	-3,659	-3,254
Decrease due to actual credit losses during the financial year	4,045	5,668
Decrease due to customer payments during the financial year	916	1,118
Net movement of allowance for bad debt during the financial year	**1,379**	**3,529**
Allowance for bad debt on December 31	**-7,969**	**-9,348**

FINANCIAL COUNTERPARTY RISK

Financial counterparty risk is defined as the risk of banks or financial institutions not being able to fulfil their undertakings to the Ramirent Group. The financial counterparty risk is minimized 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 three to five 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 2017 and 2021.

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 recognized in other comprehensive income.

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Any gain or loss relating to the ineffective portion is recognized 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 2016 and 2015.

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 December 31, 2016, interest rate hedge effect to other comprehensive income was EUR 0.3 (0.2) 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.

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 2017 resolves in favour of paying a dividend of EUR 0.40 cent per share, which corresponds to 195% of the annual net profit. Total dividend distribution during the past five years corresponds with 97.4% of the accumulated net profit for the past five years.

In 2016 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 December 31, 2015. The date of record for dividend payment was March 21, 2016 and the dividend was paid on April 1, 2016 for shareholders whose shares were registered in Euroclear Finland Ltd and on April 4, 2016 for shareholders whose shares were registered in Euroclear Sweden AB.

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

THE NET DEBT TO EBITDA -RATIO AS OF DECEMBER 31, 2016 AND 2015 WAS AS FOLLOWS:

(EUR 1,000)	2016	2015
Interest-bearing liabilities	347,418	281,425
Cash and cash equivalents	-1,570	-571
Net debt	345,848	280,855
Earnings before interest, taxes, depreciation and amortization (EBITDA)	169,050	168,051
Net Debt to EBITDA	2.0x	1.7x

RECONCILIATION OF NET DEBT	2016	2015
Net debt January 1	280,855	227,070
Decrease/(increase) in cash during the year	-999	2,559
Repayments of non-current debt	-4,026	-19,267
Borrowings and repayments of current debt (net)	70,181	71,605
Exchange rate differences	-325	-1,270
Non-cash movements:		
- deferred costs of raising debt	163	158
Increase/(decrease) in net debt during the year	64,993	53,785
Net debt December 31	345,848	280,855

4. SEGMENT INFORMATION

The Group comprises six operating segments: Finland, Sweden, Norway, Denmark, Europe East (The Baltics and the joint venture Fortrent) 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 results.

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.

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YEAR 2016 SEGMENT INFORMATION

(EUR 1,000)	FINLAND	SWEDEN	NORWAY	DENMARK	EUROPE EAST	EUROPE CENTRAL	UNALLOCATED ITEMS AND ELIMINATIONS	GROUP TOTAL
External net sales	180,101	236,673	117,019	41,323	34,391	55,650	6	665,164
Inter-segment net sales	298	362	3,195	384	41	143	-4,423	-
Total net sales	180,399	237,035	120,213	41,708	34,432	55,793	-4,417	665,164
Depreciation and impairment charges	-26,541	-32,847	-24,545	-5,957	-7,584	-12,688	333	-109,830
EBITA	23,977	26,421	1,678	2,293	7,133	3,906	-6,188	59,220
Amortization and impairment charges	-1,333	-4,280	-3,109	-478	-73	-126	-11,468	-20,867
Operating result (EBIT)	22,644	22,141	-1,431	1,815	7,060	3,780	-17,657	38,353
Reportable non-current assets	136,339	242,825	136,609	28,231	58,895	59,409	23,705	686,013
Reportable assets	172,564	294,063	162,066	37,043	68,479	73,818	22,022	830,054
Reportable liabilities	52,345	91,969	36,625	6,318	7,670	9,659	-19,518	185,068
Gross capital expenditure	43,796	64,812	32,032	15,795	12,152	22,668	-430	190,825
Number of employees								
At reporting date	519	760	397	138	253	446	173	2,686
Average during the year	498	757	401	141	258	491	161	2,706

Information on recognized impairment charges is presented in notes 13 and 14.

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 and impairment charges	-24,226	-31,001	-21,847	-5,649	-7,278	-11,668	389	-101,278
EBITA	21,075	32,954	6,545	307	7,236	3,275	-4,619	66,772
Amortization and impairment charges	-1,232	-4,500	-1,890	-424	-92	-131	-563	-8,832
Operating result (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

INFORMATION ABOUT PRODUCTS AND SERVICES

(EUR 1,000)	2016	2015
Rental income	417,168	397,810
Service income	189,014	183,188
Sale of used rental machinery and equipment	25,380	23,463
Sale of goods	33,602	31,147
Net sales	**665,164**	**635,608**

RECONCILIATIONS

(EUR 1,000)	2016	2015
Total net sales for reportable segments	669,581	638,069
Elimination of sales between segments	-4,417	-2,461
Consolidated net sales	**665,164**	**635,608**
	2016	2015
Total result (operating result) for reportable segments	56,010	63,123
Unallocated income	8,658	1,217
Unallocated expenses	-26,315	-6,400
Consolidated operating result	38,353	57,941
Financial income	9,179	13,045
Financial expenses	-19,428	-24,131
Consolidated earnings before taxes	**28,104**	**46,855**
	2016	2015
Total assets for reportable segments	808,033	748,913
Elimination of inter-segment assets	-189,563	-165,555
Unallocated assets	211,584	187,216
Consolidated total assets	**830,054**	**770,574**
	2016	2015
Total non-interest-bearing liabilities for reportable segments	204,586	176,191
Elimination of inter-segment liabilities	-41,246	-19,023
Unallocated liabilities	21,729	12,896
Consolidated total non-interest-bearing liabilities	**185,068**	**170,064**

INFORMATION ABOUT MAJOR CUSTOMERS

The Ramirent Group has one group of customers under common control that represent revenues of EUR 61.1 million (9.2% of total revenues) (EUR 61.1 million, 9.6% of total revenues in 2015). Revenues from this group of customers under common control are included in all operating segments.

5. OTHER OPERATING INCOME

(EUR 1,000)	2016	2015
Gain on disposals of real estates and non-rental machinery and equipment	111	253
Rental income of real estates	235	417
Reversal of earn-out liabilities	1,000	5,091
Other income	951	1,538
Total	**2,297**	**7,300**

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6. MATERIAL AND SERVICE EXPENSES

(EUR 1,000)	2016	2015
Cost of re-renting	-25,349	-26,765
Cost of sold rental equipment	-9,016	-9,854
Cost of goods sold	-24,585	-27,444
Repair and maintenance expenses	-30,747	-26,869
Cost of external services	-101,712	-92,469
Transportation expenses	-54,181	-54,595
Expensed equipment	-286	-504
Total	**-245,875**	**-238,499**

7. EMPLOYEE BENEFIT EXPENSES

(EUR 1,000)	2016	2015
Wages and salaries	-111,996	-102,780
Termination benefits	-2,096	207
Social security	-23,338	-22,779
Post-employment benefits		
Pension expenses – defined benefit plans	-1,089	-1,073
Pension expenses – defined contribution plans	-10,783	-10,126
Equity-settled share-based payment transactions	-217	115
Cash-settled share-based payment transactions	-357	4
Other personnel expenses	-15,074	-14,950
Total	**-164,950**	**-151,383**

Information about CEO's voluntary pension plan is presented in note 34 Related party transactions.

PERFORMANCE-BASED LONG-TERM INCENTIVE PROGRAMS

During the financial year Ramirent Plc had four share-based incentive plans in operation. The plans have been established to form part of the long-term incentive and commitment program for the key personnel of the company and its subsidiaries. The aim is to combine the objectives of the shareholders and the key personnel in order to increase the value of the company, to commit the key personnel to the company, and to offer the key personnel a competitive reward program based on holding the company's shares. In the plans the participants are offered the opportunity to earn matching shares on the basis of share ownership and performance shares on the basis of performance targets set for a three-year earning period. Plan 2013-2015 ended in 2016 and a total number of 12,635 net shares and a cash payment equaling to the value of 12,490 shares were paid. An eventual reward from the earning periods 2014-2016, 2015-2017 and 2016-2018 is based on the share ownership (matching), Economic Profit (performance) and Total Shareholder Return (TSR), which may cut the total number of shares earned. No reward shall be paid to a person whose employment ends prior to the reward payment.

On December 14 the Board of Directors of Ramirent Plc has approved a new Deferred Incentive Plan (DIP) for 2017 to maximally support the company's short-term key priority of delivering improved EBITA and to offer key employees a competitive reward and retention program. The new incentive plan includes one earning period, calendar year 2017, with a lock-up period of two years whereby the potential reward will be paid in cash in 2020. The incentive plan has been extended to include approximately 120 key employees. The members of the Executive Management Team are included in the target group of the new incentive plan.

The potential reward from the incentive plan for the earning period 2017 will be based on the participant's short term incentive plan targets. In addition, to combine the objectives of the shareholders and the Executive Management Team, the total reward potential for Executive Management Team members will also be based on the Group's Total Shareholder Return (TSR) for the earning period 2017 and the two-year lock-up period. The maximum reward of the new Deferred Incentive Plan 2017 to be paid in cash in 2020 will correspond to up to 3.7 million euros.

INFORMATION ON INCENTIVE PLANS DECEMBER 31, 2016

	LONG-TERM INCENTIVE PLAN 2013–2015	LONG-TERM INCENTIVE PLAN 2014–2016	LONG-TERM INCENTIVE PLAN 2015–2017	LONG-TERM INCENTIVE PLAN 2016–2018	DEFERRED INCENTIVE PLAN 2017–2019
Maximum shares	390,244	360,000	450,000	540,000	NA
Initial allocation date	23/5/2013	23/5/2014	14/5/2015	27/4/2016	19/12/2016
Vesting date	29/2/2016	1/3/2017	15/3/2018	15/3/2019	15/3/2020
Maximum contractual life, years	2.8	2.8	2.8	2.9	3.2
Remaining contractual life, years	–	0.2	1.2	2.2	3.2
Employees at the balance sheet date	–	31	38	31	120
Settlement	Equity and cash	Equity and cash	Equity and cash	Equity and cash	Cash

CHANGES DURING 2016	LONG-TERM INCENTIVE PLAN 2013–2015	LONG-TERM INCENTIVE PLAN 2014–2016	LONG-TERM INCENTIVE PLAN 2015–2017	LONG-TERM INCENTIVE PLAN 2016–2018	REMAINING CONTRACTUAL LIFE, YEARS
Jan 1, 2016					
Outstanding at the beginning of the reporting period	268,935	287,594	446,764	–	
Changes during the period					
Granted	–	–	–	484,168	
Forfeited	243,810	125,835	189,934	20,580	
Exercised	25,125	–	–	–	
Dec 31, 2016					
Outstanding at the end of the period	–	161,759	256,830	463,588	1.54

INFORMATION ON INCENTIVE PLANS DECEMBER 31, 2015

	LONG-TERM INCENTIVE PLAN 2012–2014	LONG-TERM INCENTIVE PLAN 2013–2015	LONG-TERM INCENTIVE PLAN 2014–2016	LONG-TERM INCENTIVE PLAN 2015–2017
Maximum shares	350,000	390,244	360,000	450,000
Initial allocation date	23/5/2012	23/5/2013	23/5/2014	14/5/2015
Vesting date	15/3/2015	29/2/2016	1/3/2017	15/3/2018
Maximum contractual life, years	2.8	2.8	2.8	2.8
Remaining contractual life, years	–	0.2	1.2	2.2
Employees at the balance sheet date	–	32	38	56
Settlement	Equity and cash	Equity and cash	Equity and cash	Equity and cash

CHANGES DURING 2015	LONG-TERM INCENTIVE PLAN 2012–2014	LONG-TERM INCENTIVE PLAN 2013–2015	LONG-TERM INCENTIVE PLAN 2014–2016	LONG-TERM INCENTIVE PLAN 2015–2017	REMAINING CONTRACTUAL LIFE, YEARS
Jan 1, 2015					
Outstanding at the beginning of the reporting period	26,800	273,135	305,734	–	
Changes during the period					
Granted	–	–	–	457,818	
Forfeited	–	4,200	18,140	11,054	
Exercised	26,800	–	–	–	
Dec 31, 2015					
Outstanding at the end of the period	–	268,935	287,594	446,764	1.38

FAIR VALUE DETERMINATION

The fair value of the share based incentives granted during the period was determined by the inputs in the below table. The fair value of the grant is based on the company estimate on the balance sheet date about the number of shares to be vesting.

VALUATION PARAMETERS FOR INSTRUMENTS GRANTED DURING PERIOD

	2016	2015
Share price at grant, EUR	6.12	6.50
Deduction in fair value due to ownership requirement and market-based vesting condition	0.47	0.54
Fair value of equity component, EUR	5.66	5.91.
Share price at the end of reporting period, EUR	7.39	6.45
Fair value Dec 31, EUR	1,801,585	439,628

EFFECT OF SHARE-BASED INCENTIVES ON THE RESULT AND FINANCIAL POSITION DURING THE PERIOD

(EUR)	2016	2015
Expenses for the financial year, share-based payments	574,163	158,244
Expenses for the financial year, share-based payments, equity-settled	217,421	115,365
Liabilities arising from share-based payments Dec 31	542,405	203,878

8. OTHER OPERATING EXPENSES

(EUR 1,000)	2016	2015
Property operating lease expenses	-25,352	-24,219
Other property expenses	-10,709	-10,171
IT and office expenses	-17,975	-17,846
Other operating lease expenses	-6,088	-5,653
External services expenses	-13,167	-13,019
Credit losses	-5,291	-7,343
Change of allowance for bad debt	1,242	3,849
Restructuring and other non-recurring expenses	-146	-321
Marketing and representation expenses	-8,195	-8,099
Other expenses	-3,215	-2,697
Total	**-88,894**	**-85,519**
Audit and other fees to auditors		
Audit fees	-281	-288
Audit related fees	-10	-5
Tax consulting fees	-70	-132
Other fees	-105	-288
Total	**-466**	**-713**

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9. DEPRECIATION, AMORTIZATION AND IMPAIRMENT CHARGES

(EUR 1,000)	2016	2015
Depreciation, amortization and impairment charges by class of assets:		
Depreciation of tangible non-current assets		
Buildings and structures	-1,260	-725
Machinery and equipment	-99,369	-98,891
Leased machinery and equipment	-	-11
Other tangible assets	-3,289	-1,652
Amortization of intangible non-current assets		
Other intangible assets	-5,001	-5,390
Other capitalised long-term expenditure	-4,312	-3,442
Impairment charges		
Tangible non-current assets	-5,912	-
Intangible non-current assets	-10,935	-
Investments	-620	-
Total	**-130,697**	**-110,110**

10. FINANCIAL INCOME AND EXPENSES

RECOGNISED IN INCOME STATEMENT

(EUR 1,000)	2016	2015
Financial income		
Dividend income on available-for-sale investments	31	-
Interest income on loans and receivables	574	753
Exchange rate gains on financial liabilities measured at amortized cost	8,573	12,292
Total	**9,179**	**13,045**
Financial expenses		
Interest expenses		
Bank loans	-6,967	-6,553
Finance lease liabilities	-	-1
Other financial expenses	-3,838	-3,775
Interest expenses on derivative instruments	-885	-950
Exchange rate losses on financial liabilities measured at amortized cost	-7,738	-12,852
Total	**-19,428**	**-24,131**
Net financial income and expenses	**-10,249**	**-11,086**

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11. INCOME TAXES

(EUR 1,000)	2016	2015
Current income tax for the year	–6,908	–9,786
Income tax for prior years	–381	–830
Deferred income taxes	1,016	2,558
Total income taxes	**–6,273**	**–8,057**

RECONCILIATION OF INCOME TAX TO THE FINNISH CORPORATE INCOME TAX RATE

(EUR 1,000)	2016	2015
Earnings before taxes	28,104	46,855
Income tax at Finnish tax rate on earnings before tax	–5,621	–9,371
Impact of different tax rate outside Finland	472	168
Impact of tax non–deductible expenses	–807	–691
Impact of tax exempt income	365	1,146
Income tax for prior years	–381	195
Impact of change in tax rates on deferred taxes	408	1,123
Impact on non–recognition of deferred income tax assets on current year losses	–264	–104
Net results of joint venture and associated companies	261	119
Other items	–707	–642
Total income taxes	**–6,273**	**–8,057**
Effective tax rate	-22.3 %	-17.2 %

The impact of tax exempt income in 2016 and 2015 is affected by derecognition of a previously recognized contingent consideration 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 2017 and onwards. Changes in future tax rates have taken place in Norway in 2016. In 2017 tax rates will change in Norway and Slovakia.

TAX EFFECTS OF COMPONENTS IN OTHER COMPREHENSIVE INCOME

	2016			2015		
(EUR 1,000)	BEFORE TAXES	TAX	AFTER TAXES	BEFORE TAXES	TAX	AFTER TAXES
Translation differences	–3,285	–	–3,285	–769	–	–769
Actuarial gains/(losses) on defined benefit plans	–1,205	265	–940	1,291	–284	1,007
Cash flow hedges	404	–81	323	415	–203	211
Share of other comprehensive income in associates and joint ventures	3,348	–	3,348	–2,033	–	–2,033
Available for sale investments	–	–	–	–6	–	–6
Total	**–739**	**184**	**–555**	**–1,102**	**–487**	**–1,590**

12. EARNINGS PER SHARE

	2016	2015
Profit attributable to the parent company shareholders (EUR thousand)	22,081	38,975
Weighted average number of outstanding shares, basic and diluted (thousand)	107,748	107,735
Earnings per share, basic and diluted (EUR)	0.20	0.36

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13. GOODWILL AND OTHER INTANGIBLE ASSETS

MOVEMENT IN GOODWILL AND OTHER INTANGIBLE ASSETS 2016

(EUR 1,000)	GOODWILL	OTHER INTANGIBLE ASSETS	OTHER CAPITALISED LONG-TERM EXPENDITURE	TOTAL
Historical cost on January 1	145,022	52,100	37,670	234,791
Exchange differences	-1,091	60	39	-992
Additions	–	29	3,349	3,378
Disposals	–	-697	-10,937	-11,634
Reclassifications	–	-165	-128	-293
Historical cost on December 31	143,931	51,327	29,993	225,251
Accumulated amortization and impairment charges on January 1	-5,366	-34,170	-9,239	-48,774
Exchange differences	-66	147	46	127
Disposals	–	696	3	699
Reclassifications	–	197	-20	177
Amortization	–	-5,001	-4,312	-9,313
Accumulated amortization and impairment charges on December 31	-5,432	-38,130	-13,522	-57,084
Carrying value on January 1	139,656	17,930	28,432	186,017
Carrying value on December 31	138,499	13,197	16,471	168,167

In 2016 the Group recognized write-downs of other capitalized long term expenditure of EUR 10.9 million from discontinuing planned roll-out of the common ERP-platform outside Scandinavia.

MOVEMENT IN GOODWILL AND OTHER INTANGIBLE ASSETS 2015

(EUR 1,000)	GOODWILL	OTHER INTANGIBLE ASSETS	OTHER CAPITALISED LONG-TERM EXPENDITURE	TOTAL
Historical cost on January 1	145,251	50,349	31,467	227,067
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 December 31	145,022	52,100	37,670	234,791
Accumulated amortization and impairment charges on January 1	-5,472	-29,323	-5,772	-40,567
Exchange differences	69	173	-13	228
Disposals	–	527	43	570
Reclassifications	38	-157	-54	-174
Amortization	–	-5,390	-3,442	-8,832
Accumulated amortization and impairment charges on December 31	-5,366	-34,170	-9,239	-48,774
Carrying value on January 1	139,780	21,026	25,695	186,500
Carrying value on December 31	139,656	17,930	28,432	186,017

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IMPAIRMENT TESTING OF GOODWILL

Goodwill is allocated to groups of cash–generating units (CGUs). Operating segments Finland, Sweden, Norway and Denmark are each defined as CGUs. The Baltics 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 (CGUS)

(EUR 1,000)	2016	2015
Finland	22,380	22,380
Sweden *	66,280	68,898
Norway	28,728	27,183
Denmark	403	401
The Baltics	10,298	10,298
Europe Central	10,410	10,496
Total	**138,499**	**139,656**

* Safety Solutions Jonsereds AB is included in Sweden segment figures in 2016

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 recognized 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 2017 cash flows are based on the budget for the year 2017. The cash flow estimates projected for years 2018–2021 are based on management's views on the growth and profitability of business, as well as capital requirements.

In the long term the EBIT margin used in the testing varies from 12% to 18%. 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 2016 impairment testing were on the same level as in the previous testing.

The principal assumptions used in the year 2016 and 2015 impairment tests are set forth in the below two tables.

YEAR 2016 IMPAIRMENT TEST

	FINLAND	SWEDEN	NORWAY	DENMARK	THE BALTICS	POLAND, CZECH REPUBLIC AND SLOVAKIA
Growth in net sales *)	2.6%	4.2%	2.4%	3.2%	2.6%	4.4%
Long–term growth	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Average EBIT margin 2017–2021	14.4%	14.3%	12.0%	8.8%	18.3%	15.4%
WACC (after tax)	7.7%	7.6%	7.6%	7.6%	9.7%	7.9%
WACC (pre–tax)	9.1%	9.3%	9.4%	9.2%	11.1%	9.3%

*) Average growth in net sales (2017–2021) p.a.

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YEAR 2015 IMPAIRMENT TEST

	FINLAND	SWEDEN	NORWAY	DENMARK	THE BALTICS	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.

The impairment test has been done on the assets as per October 31, 2016. The previous impairment test was done as per October 31, 2015.

Based on the impairment test 2016 and 2015, 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 EBIT margins used in the terminal period in the impairment testing are based on management assessment of long term growth and profitability.

In all CGU's the recoverable amount exceeds the carrying amount and no impairment has been recognized. The amount by which the recoverable amount exceeds the carrying amount is over 40 % for all other CGU's except the Baltics, for which the amount is 15% and thus the Baltics is most sensitive to negative changes in business development.

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. Sensitivity analysis is prepared from the basis of the free cash flow since the development of the business is highly dependent on the amount of capital expenditure allocated for each CGU.

DECLINE OF FREE CASH FLOW

	2016	2015
Finland	-54.5%	-60.7%
Sweden	-37.2%	-53.8%
Norway	-22.0%	-43.4%
Denmark	-41.7%	-51.9%
The Baltics	-9.1%	-30.9%
Europe Central	-39.7%	-54.1%

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

INCREASE IN DISCOUNT RATE (PRE–TAX), PERCENTAGE–POINT

	2016	2015
Finland	8.4%	10.4%
Sweden	4.0%	7.4%
Norway	2.0%	5.9%
Denmark	4.1%	3.9%
The Baltics	0.9%	4.3%
Europe Central	4.9%	7.0%

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14. PROPERTY, PLANT AND EQUIPMENT

MOVEMENT IN PROPERTY, PLANT AND EQUIPMENT 2016

(EUR 1,000)	LAND	BUILDINGS & STRUCTURES	MACHINERY & EQUIPMENT	LEASED MACHINERY & EQUIPMENT	OTHER TANGIBLE ASSETS	TOTAL
Historical cost on January 1	2,136	13,360	1,047,163	971	14,405	1,078,035
Exchange differences	0	158	-4,232	-37	173	-3,937
Additions	4,341	12,757	166,008	–	4,831	187,938
Disposals	–	-954	-20,642	-934	-4,056	-26,587
Reclassifications	–	2,427	-92,458	–	13,821	-76,210
Historical cost on December 31	6,477	27,748	1,095,840	–	29,174	1,159,239
Accumulated depreciation and impairment charges on January 1	–	-8,289	-633,384	-971	-9,746	-652,390
Exchange differences	–	-141	2,594	37	-150	2,340
Disposals	–	430	20,824	934	3,795	25,984
Reclassifications	–	-861	82,510	–	-11,658	69,991
Depreciation	–	-1,260	-105,281	–	-3,289	-109,830
Accumulated depreciation and impairment charges on December 31	–	-10,122	-632,736	–	-21,047	-663,905
Carrying value on January 1	2,136	5,071	413,780	–	4,659	425,645
Carrying value on December 31	6,477	17,626	463,104	–	8,127	495,334

In 2016 the Group recognized write-downs of property, plant and equipment of EUR 5.9 million related to discontinuing the highly customized non-standard modules business in Temporary Space in Norway and refocusing the business on using standardized high-class modules.

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 January 1	973	12,201	996,287	950	13,255	1,023,667
Exchange differences	-0	-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 December 31	2,136	13,360	1,047,163	971	14,405	1,078,035
Accumulated depreciation and impairment charges on January 1	–	-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 and impairment charges on December 31	–	-8,289	-633,384	-971	-9,746	-652,390
Carrying value on January 1	973	4,645	395,749	11	4,622	406,001
Carrying value on December 31	2,136	5,071	413,780	–	4,659	425,645

15. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

(EUR 1,000)	2016	2015
Investments in associates	–	806
Investments in joint ventures	8,082	3,490
Carrying value on December 31	**8,082**	**4,296**

INVESTMENTS IN JOINT VENTURES

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

			INTEREST HELD	
NAME OF COMPANY	INDUSTRY	DOMICILE	2016	2015
Fortrent Oy	Equipment rental	Helsinki	50%	50%

(EUR 1,000)	2016	2015
Opening net assets	2,801	6,086
Result for the period	2,663	780
Other comprehensive income	6,696	−4,065
Closing net assets	**12,159**	**2,801**
Interest in joint venture (50%)	6,080	1,401
Transaction costs	1,358	1,358
Carrying value December 31	**7,438**	**2,758**
Loans granted to Fortrent	**12,926**	**15,267**

Fortrent is the leading company in the construction machinery and equipment rental markets in Russia and Ukraine. Fortrent is owned and controlled jointly by Cramo Plc (50%) and Ramirent (50%). 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.

Summarized 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.

SUMMARIZED STATEMENT OF FINANCIAL POSITION

(EUR 1,000)	DECEMBER 31, 2016	DECEMBER 31, 2015
Non-current assets		
Goodwill	5,421	4,321
Intangible assets	4,760	4,440
Property, plant and equipment	24,513	21,462
Deferred tax assets	2,287	2,144
Total non-current assets	**36,981**	**32,367**
Current assets		
Cash and cash equivalents	351	894
Other current assets	6,838	5,393
Total current assets	**7,189**	**6,287**
TOTAL ASSETS	**44,171**	**38,654**
Non-current liabilities		
Interest-bearing liabilities	25,852	30,533
Other non-current liabilities (Deferred tax liability)	2,893	2,439
Total non-current liabilities	**28,746**	**32,972**
Current liabilities		
Other current liabilities	3,266	2,881
Total current liabilities	**3,266**	**2,881**
TOTAL LIABILITIES	**32,011**	**35,853**
NET ASSETS	**12,159**	**2,801**

SUMMARIZED STATEMENT OF COMPREHENSIVE INCOME

(EUR 1,000)	JAN–DEC 2016	JAN–DEC 2015
NET SALES	**29,578**	**30,503**
Materials and Services	-9,615	-9,466
Other expenses	-10,356	-10,898
Depreciation	-6,477	-7,864
Operating result before amortization (EBITA)	**3,130**	**2,275**
Amortization	-702	-758
Operating result (EBIT)	**2,428**	**1,517**
Interest income	39	57
Interest expense	-724	-887
Other financial income and expenses (net)	1,156	-143
Earnings before taxes (EBT)	**2,900**	**544**
Income taxes	-238	236
RESULT FOR THE PERIOD	**2,663**	**780**
Other comprehensive income	6,696	-4,065
TOTAL COMPREHENSIVE INCOME	**9,358**	**-3,285**

Fortrent has classified the loan receivables from the Russian and Ukrainian subsidiaries as net investment in foreign subsidiaries. Translation differences arising from these loans have been booked to Other Comprehensive Income. As the loans were partly repaid during 2016 and also further repayments are planned, part of the loans were reclassified as normal loans in 2016 and the related exchange rate differences were recycled into P&L. The effect to the net profit for 2016 was EUR 1.0 million.

Fortrent had commitments amounting to EUR 177 (133) thousand.

Average number of personnel (FTE) was 331 (348).

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INVESTMENTS IN ASSOCIATES

Information about the Group's associated company Rogaland Montasje Bygg AS is presented below:

(EUR 1,000)	2016	2015
Ramirent's share of result for the period	–	158
Carrying value on December 31	**–**	**806**

The shares of the associated company were sold in 2016. The sale resulted in EUR 0.6 million loss.

16. NON–CURRENT RECEIVABLES

(EUR 1,000)	2016	2015
Non–current loan receivables from Fortrent	12,926	15,267
Non–current receivables from others	825	11
Carrying value on December 31	**13,751**	**15,277**

17. AVAILABLE–FOR–SALE FINANCIAL ASSETS

(EUR 1,000)	2016	2015
Other shares	101	134
Carrying value on December 31	**101**	**134**

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 2016

(EUR 1,000)	BALANCE ON JAN 1	RECOGNIZED IN INCOME STATEMENT	RECOGNIZED IN OTHER COMPREHENSIVE INCOME	EXCHANGE DIFFERENCES	ACQUISITIONS/ DISPOSALS	RECLASS-IFICATION	BALANCE ON DEC 31
Tax losses carried forward	1,352	1,003	–	33	–	–	2,388
Fair value adjustments	664	138	-81	-75	–	–	646
Pension obligations	1,618	–	265	21	–	–	1,904
Other temporary differences	853	701	–	-47	–	–	1,506
Total	**4,487**	**1,842**	**184**	**-69**	**–**	**–**	**6,445**
Effect of netting	-3,635						-5,867
Deferred tax assets reported in financial statements	852						578

MOVEMENT IN DEFERRED TAX LIABILITIES IN YEAR 2016

(EUR 1,000)	BALANCE ON JAN 1	RECOGNIZED IN INCOME STATEMENT	RECOGNIZED IN OTHER COPREHENSIVE INCOME	EXCHANGE DIFFERENCES	ACQUISITIONS/ DISPOSALS	RECLASS-IFICATION	BALANCE ON DEC 31
Adjustments to fair value of non–current assets due to business combinations	15,028	-1,826	–	709	–	–	13,911
Accumulated depreciation in excess of plan	34,910	2,636	–	-637	–	–	36,909
Other taxable temporary differences	2,880	1	–	-408	–	–	2,473
Total	**52,818**	**811**	**–**	**-336**	**–**	**–**	**53,293**
Effect of netting	-3,635						-5,867
Deferred tax liabilities reported in financial statements	49,183						47,427

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 utilize these losses during the utilization 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 recognized in case there is not sufficient certainty about the subsidiary's potential to utilize the losses. Total amount of unused tax losses for which no deferred tax asset is recognized is EUR 7.1 (5.8) million.

MOVEMENT IN DEFERRED TAX ASSETS IN YEAR 2015

(EUR 1,000)	BALANCE ON JAN 1	RECOGNIZED IN INCOME STATEMENT	RECOGNIZED IN OTHER COPREHENSIVE INCOME	EXCHANGE DIFFERENCES	ACQUISITIONS/ DISPOSALS	RECLASS-IFICATION	BALANCE ON DEC 31
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 JAN 1	RECOGNIZED IN INCOME STATEMENT	RECOGNIZED IN OTHER COMPREHENSIVE INCOME	EXCHANGE DIFFERENCES	ACQUISITIONS/ DISPOSALS	RECLASS-IFICATION	BALANCE ON DEC 31
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

19. INVENTORIES

(EUR 1,000)	2016	2015
Goods for sale	10,547	14,163
Spare parts and accessories to be consumed in rendering of services	647	1,749
Carrying value on December 31	**11,194**	**15,912**

In 2016, consumables and changes in inventories included in “Materials and Services” amounted to EUR 24.6 (27.4) million.

20. TRADE AND OTHER RECEIVABLES

(EUR 1,000)	2016	2015
Trade receivables	116,676	105,554
Allowance for bad debt	-7,969	-9,348
Other receivables	164	2,297
Prepayments and accrued income	15,558	18,948
Carrying value on December 31	**124,428**	**117,450**

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PREPAYMENTS AND ACCRUED INCOME CONSIST OF

(EUR 1,000)	2016	2015
Accrued rental income	4,508	10,631
Accrued interest income	87	–
VAT receivables	959	274
Prepaid insurance expenses	640	274
Prepaid property operating leases	2,603	1,331
Prepaid other operating leases	143	2,077
Other prepayments	6,617	4,360
Total	**15,558**	**18,948**

21. CASH AND CASH EQUIVALENTS

(EUR 1,000)	2016	2015
Cash at banks and in hand	1,570	571
Carrying value on December 31	**1,570**	**571**

22. EQUITY

(EUR 1,000)	NUMBER OF SHARES (THOUSAND)	NUMBER OF TREASURY SHARES (THOUSAND)	SHARE CAPITAL
Carrying value on December 31, 2014	108,697	974	25,000
Directed share issue on February 27, 2015		−13	
Carrying value on December 31, 2015	108,697	961	25,000
Directed share issue on February 29, 2016		−13	
Carrying value on December 31, 2016	**108,697**	**948**	**25,000**

NUMBER OF SHARES AND SHARE CAPITAL

The company's share capital on December 31, 2016 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 2016, Ramirent Plc held 948,014 own shares.

AUTHORIZATION OF THE BOARD OF DIRECTORS TO REPURCHASE THE COMPANY´S OWN SHARES

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

The authorization to repurchase the Company's own shares was not used in 2016.

AUTHORIZATION 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 authorized to decide on the issuance of a maximum of 10,869,732 new shares and on the conveyance of a maximum of 10,869,732 own shares held by the Company.

By virtue of the authorization the Board of Directors also has the right to grant option rights, convertible bonds and/or other special rights referred to in Chapter 10, Section 1 of the Companies Act, which entitle to new shares or the Company's own shares against payment in such a manner that the subscription price of the shares is paid in cash or by using the subscriber's receivable to set off the subscription price. New shares may be issued and the Company's own shares held by the Company may be conveyed either against payment or for free.

The Board of Directors shall decide on all other terms and conditions related to the authorizations. The authorizations shall be valid until March 17, 2021 and they shall revoke the authorizations given by the Annual General Meeting on March 26, 2013.

DIRECTED SHARE ISSUE WITH OWN SHARES

On February 10, 2016 the Board decided, based on the share issue authorization granted by the AGM, to convey 12,635 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 Program 2013. As the program 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 88,980, was recognized in the invested unrestricted equity fund.

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SHAREHOLDERS

ON DECEMBER 31, 2016	NUMBER OF SHARES	% OF SHARES AND VOTING RIGHTS
Nordstjernan AB	21,863,716	20.11%
Oy Julius Tallberg Ab	12,207,229	11.23%
Nordea Funds	5,036,675	4.63%
Ilmarinen Mutual Pension Insurance Company	3,445,154	3.17%
Varma Mutual Pension Insurance Company	2,340,865	2.15%
Aktia Funds	2,055,558	1.89%
OP-Finland funds	1,305,286	1.20%
Ramirent Oyj treasury shares	948,014	0.87%
Fondita Funds	820,000	0.75%
Pensionsförsäkringsaktiebolaget Veritas	600,000	0.55%
Other shareholders	58,074,831	53.43%
Total	**108,697,328**	**100.00%**

ON DECEMBER 31, 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%**

23. PENSION OBLIGATIONS

Ramirent has recognized its post–employment benefit arrangements by means of defined contribution pension plans and defined benefit pension plans. Ramirent's Swedish subsidiary has a defined benefit pension plan administrated by an insurance company and other pension plans are defined contribution plans.

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 recognized 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 RECOGNIZED IN INCOME STATEMENT

(EUR 1,000)	2016	2015
Defined benefit pension plan expenses	−1,681	−1,583
Defined contribution pension plan expenses	−10,783	−10,127
Total	**−12,464**	**−11,709**

ELEMENTS OF DEFINED BENEFIT PENSION PLAN EXPENSES

(EUR 1,000)	2016	2015
Current service cost	−1,089	−1,073
Interest cost	−592	−509
Total	**−1,681**	**−1,583**

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ELEMENTS OF DEFINED BENEFIT PLAN NET OBLIGATION

(EUR 1,000)	2016	2015
Present value of unfunded obligations	20,005	18,009
Net obligation on December 31	20,005	18,009
Amounts recognised in the balance sheet		
Liabilities	20,005	18,009
Net liability	20,005	18,009

CHANGE OF THE PRESENT VALUE OF THE DEFINED BENEFIT PENSION OBLIGATIONS

(EUR 1,000)	2016	2015
Present value of obligation on January 1	18,009	17,491
Exchange differences	-687	402
Current service cost	1,089	1,073
Interest cost	592	509
Experience adjustments to plan liabilities	-515	547
Actuarial gains (–) and losses (+) arising from changes in financial assumptions	1,720	-1,838
Benefits paid	-203	-176
Present value of obligation on December 31	**20,005**	**18,009**

PRINCIPAL ACTUARIAL ASSUMPTIONS

	2016	2015
Discount rate	2.90%	3.20%
Future salary increase expectation	2.00%	3.00%
Future benefit increase expectation	2.00%	1.50%

PRESENT VALUE OF THE DEFINED BENEFIT PENSION OBLIGATION AT YEAR END

(EUR 1,000)	2016	2015
Present value of the defined benefit obligation	20,005	18,009
Surplus (–) / deficit (+)	20,005	18,009
Experience adjustments to plan liabilities	-515	547

The estimated year 2017 employer contributions amount to EUR 0.2 million (year 2016 estimate was EUR 0.2 million at year end 2015).

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%			
	2.40%	2.90%	3.40%
Present value of obligation December 31, 2016	22,297	20,005	18,014

SENSITIVITY ANALYSIS OF DISCOUNT RATE +/– 0.5%			
	2.70%	3.20%	3.70%
Present value of obligation December 31, 2015	20,079	18,009	16,235

The 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

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

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

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

CARRYING VALUE ON DECEMBER 31

(EUR 1,000)	2016	2015
Non–current provisions	589	2,234
Current provisions	1,834	920
Total	**2,423**	**3,154**

MOVEMENTS IN PROVISIONS PER CATEGORY 2016

(EUR 1,000)	TERMINATION BENEFITS	LEASES OF PREMISES	OTHER PROVISIONS	TOTAL
Provisions on January 1	525	1,985	644	3,154
Provisions made during the period	493	215	164	871
Provisions used during the period	−394	−574	−291	−1,259
Provisions reversed during the period	−176	−112	−46	−333
Exchange rate differences	12	0	−23	−10
Provisions on December 31	**461**	**1,514**	**448**	**2,423**
Expected timing of outflow				
During 2017	436	999	399	1,834
During 2018	25	110	26	161
During 2019	–	110	23	134
During 2020	–	96	–	96
Later	–	198	–	198
Total	**461**	**1,514**	**448**	**2,423**

MOVEMENTS IN PROVISIONS PER CATEGORY 2015

(EUR 1,000)	TERMINATION BENEFITS	LEASES OF PREMISES	OTHER PROVISIONS	TOTAL
Provisions on January 1	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 rate differences	−37	−36	11	−61
Provisions on December 31	**525**	**1,985**	**644**	**3,154**
Expected timing of outflow				
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**

25. INTEREST–BEARING LIABILITIES

INTEREST–BEARING LIABILITIES ON DECEMBER 31, 2016

(EUR 1,000)	CURRENT	NON–CURRENT	TOTAL
Loans from financial institutions	5,370	87,426	92,797
Bond	–	99,621	99,621
Commercial papers	155,000	–	155,000
Total	**160,370**	**187,047**	**347,418**

INTEREST–BEARING LIABILITIES ON DECEMBER 31, 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**

26. OTHER NON–CURRENT LIABILITIES

Other non-current liabilities comprise mainly non-current portion of contingent considerations and other liabilities for the purchase prices of acquired subsidiaries and business operations. Total amount of purchase price liabilities including the short term portion is EUR 7.4 (10.1) 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 DECEMBER 31

(EUR 1,000)	2016	2015
Trade payables	33,012	34,562
Other current liabilities	27,948	13,385
Accrued expenses and deferred income	47,371	39,308
Advances received	248	276
Total	**108,579**	**87,532**

ACCRUED EXPENSES AND DEFERRED INCOME CONSIST OF

(EUR 1,000)	2016	2015
Accrued interest expenses	4,989	5,218
Accrued employee–related expenses	15,891	15,115
Deferred income	2,515	963
Other items	23,976	18,013
Total	**47,371**	**39,308**

The short–term part of liabilities for the purchase price of acquired subsidiaries and business operations, EUR 2.8 (0.7) 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 2016

No major acquisitions were executed in 2016.

ACQUISITIONS OF SUBSIDIARIES AND BUSINESS OPERATIONS EXECUTED IN 2015

Ramirent acquired on November 25, 2015 equipment, machinery operations and personnel from Hartela-yhtiöt Oy in Finland. In addition Ramirent and Hartela 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

(EUR 1,000)	2015
Considerations	
Cash	5,200
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**
Acquisition 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.

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

(EUR 1,000)	NOTE	2016	2015
Receivables			
Non-current loan receivables	16	12,926	15,277
Trade receivable	20	116,676	105,554
Allowance for credit loss	2	-7,969	-9,348
Total		**121,633**	**111,483**
Available-for-sale financial assets			
Other shares	17	101	134
Cash and cash equivalents	**21**	**1,570**	**571**
Financial liabilities measured at amortized cost			
Committed loans from financial institutions	25,31	87,370	86,886
Bond	25,31	99,621	99,458
Bank overdrafts	25,31	5,426	9,781
Commercial papers	25,31	155,000	85,300
Contingent considerations and deferred payments on acquisitions	26,30	7,446	10,098
Trade payables	27	33,012	34,562
Total		**387,875**	**326,086**
Derivative instruments			
Interest rate swaps (market value)	31	-741	-1,224
Foreign exchange forwards (market value)	31	-346	284

30. FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

DECEMBER 31, 2016

(EUR 1,000)	LEVEL 1	LEVEL 2	LEVEL 3
Interest rate derivatives	-	-741	-
Foreign exchange derivatives	-	-346	-
Contingent consideration non-current	-	-	2,824
Contingent consideration current	-	-	1,078

DECEMBER 31, 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

The table above analyzes 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).

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RECONCILIATION OF LEVEL 3 FAIR VALUES

(EUR 1,000)	
Carrying value January 1, 2015	**25,524**
Translation differences	417
Payments	−12,263
Recognized in other operating income	−5,091
Discount interest recognised in financial expenses	1,512
Carrying value December 31, 2015	**10,098**
Exchange differences	116
Payments	−1,441
Reclassification as deferred payment	−4,205
Recognized in other operating income	−1,000
Discount interest recognized in financial expenses	334
Carrying value December 31, 2016	**3,902**

CHANGE IN FAIR VALUES OF CONTINGENT CONSIDERATIONS

Cost of a business combination includes in certain acquisitions also a contingent consideration, which is recognized at fair value. Subsequent changes in fair value are recognized 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.

During 2016 and 2015 the Group has derecognized 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 2016 the amount that was derecognized was EUR 1.0 million and in 2015 EUR 5.1 million. The amounts are recognized in other operating income.

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

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

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.

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 2016	FAIR VALUE 2016	CARRYING AMOUNT 2015	FAIR VALUE 2015
FINANCIAL ASSETS					
Non-current loan receivables	16	12,926	12,926	15,277	15,277
Available-for-sale financial assets	17	101	101	134	134
Trade receivables	20	108,707	108,707	96,206	96,206
Cash and cash equivalents	21	1,570	1,570	571	571
Total		**123,304**	**123,304**	**112,187**	**112,187**
FINANCIAL LIABILITIES					
Loans from financial institutions	25	92,797	92,797	96,667	96,667
Bond	25	99,621	106,159	99,458	105,633
Commercial papers	25	155,000	155,000	85,300	85,300
Contingent considerations and deferred payments on acquisitions	26	7,446	7,446	10,098	10,098
Trade payables	27	33,012	33,012	34,562	34,562
Total		**387,875**	**394,413**	**326,086**	**332,261**
Cross currency and interest rate swaps (nominal and fair value)		97,656	-741	56,975	-1,224
Foreign exchange forwards (nominal and fair value)		61,106	-346	43,136	284

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.

DECEMBER 31, 2016

(EUR 1,000)	OFFSETTING DERIVATIVE INSTRUMENTS			
	GROSS AMOUNT OF RECOGNIZED FINANCIAL INSTRUMENTS	RELATED LIABILITIES (–) OR ASSETS (+) SUBJECT TO MASTER NETTING AGREEMENTS	COLLATERAL RECEIVED (–) OR GIVEN (+)	NET EXPOSURE
Derivative assets	37	-37	-	-
Derivative liabilities	-1,124	37	-	-1,087

DECEMBER 31, 2015

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

32. EXCHANGE RATES APPLIED

	AVERAGE RATES 2016	AVERAGE RATES 2015	CLOSING RATES 2016	CLOSING RATES 2015
Currency				
CZK	27.0343	27.2850	27.0210	27.0230
DKK	7.4454	7.4587	7.4344	7.4626
NOK	9.2927	8.9419	9.0863	9.6030
PLN	4.3636	4.1826	4.4103	4.2639
SEK	9.4673	9.3496	9.5525	9.1895

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33. DIVIDEND PER SHARE

The parent company's distributable equity on December 31, 2016 amounted to EUR 270,801,022.76 of which the net result from the financial year 2016 is EUR -541,154,16.

The Board of Directors proposes to the Annual General Meeting 2017 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 December 31, 2016. 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. The dividend is proposed to be paid in two equal installments of EUR 0.20 per share, the first with record date March 20, 2017 and the second with record date September 18, 2017. If the Meeting decides as proposed, the first installment is expected to be paid on April 4, 2017 for shareholders whose shares are registered in Euroclear Finland Ltd and on April 5, 2017 for shareholders whose shares are registered in Euroclear Sweden AB. The second installment is excepted to be paid on October 3, 2017 and respectively, on October 4, 2017. The Board of Directors is authorized to set a new dividend record date and payment date for the second installment of the dividend, in case the rules and regulations of the Finnish book-entry system would be changed, or otherwise so require, prior to the payment of the second installment. The proposed dividend represents a 195% (111%) payout ratio for 2016 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 2016 financial statements. The dividends paid in 2016 were EUR 0.40 per share totaling EUR 43,099,725.60.

34. RELATED PARTY TRANSACTIONS

Ramirent's related parties are the key management, joint ventures Fortrent Oy and Fehmarnbelt Solution Services A/S, and one major shareholder, Nordstjernan Group. Key management consists of the members of the Board of Directors, the CEO and the members of the Group Executive Management Team. Until 8/2016 the group management comprised of the Excecutive Management Team and the Group Management Team. The list of subsidiaries is presented in note 37. The associated company Rogaland Montasje Bygg AS was sold in 2016.

EMPLOYEE BENEFITS FOR KEY MANAGEMENT (ACCRUAL BASIS)

(EUR 1,000)	2016	2015
Short–term employee benefits	−2,763	−2,451
Termination benefits	−1,139	–
Post–employment benefits	−77	−159
Share–based payments	−279	243
Total	**−4,258**	**−2,367**

BENEFITS PAID TO THE BOARD MEMBERS AND THE CEO

(EUR 1,000)	2016	2015
Appleton, Kevin	−36	−32
Bergh, Kaj–Gustaf	−34	−33
Frumerie, Anette	−36	−24
Hofvenstam, Peter	–	−14
Lundahl, Ulf	−68	−56
Lönnevall, Tobias	−41	−27
Norvio, Erkki	–	−8
Paulsson, Mats O	−36	−33
Renlund, Susanna	−48	−43
Sølsnes, Gry Hege	–	−8
Rosén, Magnus	−610	−669
Kolunsarka, Tapio	−397	-
Total	**−1,307**	**−946**

The employee benefits paid to the CEOs in 2016 total EUR 1,007 (669) thousand. They comprise benefits for the previous and current CEO. Benefits comprise of annual base salary and fringe benefits, EUR 578

(452) thousand, a separate pension insurance, EUR 77 (159) thousand and a compensation for Long–Term incentive programme, EUR 63 (57) thousand. The payments in 2016 include also redundancy payments totalling EUR 290 thousand.

Employee benefits of CEO include a voluntary defined contribution pension plan. Company makes agreed annual payments to plan, which are invested to a Capital Redemption agreement. Payments to Capital Redemption agreement including return is presented as financial assets at fair value through profit or loss. Change in fair value is presented in financial items. These assets are pledged as security for the given pension promise. No separate agreement regarding early retirement has been made.

Company recognizes as annual pension cost the amounts paid to the plan and the obligation related to pension promise is presented as other non-current liabilities. The obligation is also effected by the changes in fair value of the Capital Redemption agreement, which are accounted for as an adjustment to pension cost, since obligation relates to defined contribution plan and investment including return are intended to fulfil the pension promise.

POST–EMPLOYMENT BENEFITS FOR THE CEOs, ACCRUAL BASIS

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

(EUR 1,000)	2016	2015
Voluntary pension plan in Finland	-77	–
Voluntary pension plan in Sweden	–	-159
Total pension plans	**-77**	**-159**

Ramirent did not have any other transactions than the above employee benefits with Key Management during years 2016 and 2015. There were no outstanding loan receivables from Key Management either on December 31, 2016 or December 31, 2015.

TRANSACTIONS WITH AND RECEIVABLES FROM OTHER RELATED PARTIES

(EUR 1,000)	2016	2015
Companies owned by the Nordstjernan Group		
Sales of rental services	61,128	61,119
Current receivables	8,946	7,999
Fortrent Oy		
Interest income	362	439
Non–current loan receivables	12,926	15,267

35. COMMITMENTS AND CONTINGENT LIABILITIES

OFF–BALANCE SHEET COMMITMENTS ON DECEMBER 31, 2016

(EUR 1,000)	TO SECURE OWN BORROWINGS	TO SECURE OTHER OWN OBLIGATIONS	TO SECURE THIRD PARTY OBLIGATIONS	TOTAL
Suretyships	–	2,828	239	3,067

OFF–BALANCE SHEET COMMITMENTS ON DECEMBER 31, 2015

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

NON–CANCELLABLE MINIMUM FUTURE OPERATING LEASE PAYMENTS

(EUR 1,000)	2016	2015
Payable < 1 year from balance sheet date	25,240	25,713
Payable 1–5 years from balance sheet date	46,852	52,481
Payable > 5 years from balance sheet date	9,970	11,184
Future gross operating lease payments	**82,062**	**89,378**

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OPERATING LEASE EXPENSES IN THE INCOME STATEMENT

(EUR 1,000)	2016	2015
Lease payments expensed in the income statement	31,477	30,642
Received sublease payments credited to lease expenses in the income statement	–	–9
Net lease expenses in the income statement	**31,477**	**30,633**
Group Share of commitments in joint ventures	89	67

Committed investments in rental equipment at the end of 2016 totalled EUR 30.5 million (EUR 26.3 million in 2015).

36. DISPUTES AND LITIGATIONS

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 DECEMBER 31, 2016

	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	82.14%	82.14%
Ramirent Finland Oy	Finland	Operating	100%	100%
Ramirent AB	Sweden	Operating	100%	100%
Ramirent Safe Access AB	Sweden	Operating	0%	100%
Ramirent AS	Norway	Operating	100%	100%
Ramirent Module Systems AS	Norway	Operating	0%	100%
C6 Invest AS	Norway	Real estate company	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 2016				
Luleå Bergnäset AB	Sweden	Real estate company	0%	100%
Teollisuuden Eristysveljet Oy	Finland	Operating	0%	100%

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38. EVENTS AFTER THE REPORTING DATE

The Board of Directors of Ramirent Plc has on February 16, 2017 decided on a directed share issue for the reward payment from Ramirent Long-term incentive program 2014. A total of 18,920 of Ramirent Plc's treasury shares are conveyed without consideration to the key persons participating in the Ramirent Long-term incentive program 2014 under the terms and conditions of the plan.

In the addition, a total of 228,344 of Ramirent Plc's treasury shares are conveyed without consideration to the management of Ramirent's subsidiary Safety Solutions Jonsereds AB as a part of the purchase price for the minority stake.

Following the directed share issue, the number of treasury share stands at 700,750 shares.

FINANCIAL AND SHARE–RELATED KEY FIGURES

		2016	2015	2014	2013	RESTATED* 2012
Net sales	MEUR	665.2	635.6	613.5	647.3	714.1
Change in net sales	%	4.6	3.6	−5.2	−9.4	9.9
Operating result before depreciation and amortization (EBITDA)	MEUR	169.0	168.1	167.9	195.1	210.5
	% of net sales	25.4	26.4	27.4	30.1	29.5
Operating result before amortization of intangible assets (EBITA)	MEUR	59.2	66.8	65.8	92.1	100.6
	% of net sales	8.9	10.5	10.7	14.2	14.1
Operating result (EBIT)	MEUR	38.4	57.9	58.1	82.3	92.5
	% of net sales	5.8	9.1	9.5	12.7	13.0
Earnings before taxes (EBT)	MEUR	28.1	46.9	42.5	63.9	83.0
	% of net sales	4.2	7.4	6.9	9.9	11.6
Result for the period	MEUR	22.1	39.0	32.6	54.0	63.7
	% of net sales	3.3	6.1	5.3	8.3	8.9
Invested capital, end of period	MEUR	645.0	600.5	555.2	579.8	608.4
Return on invested capital (ROI)	%	6.4	10.1	9.8	13.3	16.0
Return on equity (ROE)	%	7.2	12.1	9.4	14.7	18.5
Interest–bearing debt	MEUR	347.4	281.4	230.2	208.8	240.7
Net debt	MEUR	345.8	280.9	227.1	206.9	239.4
Net debt to EBITDA ratio		2.0x	1.7x	1.4x	1.1x	1.1x
Gearing	%	116.2	88.0	69.9	55.8	65.8
Equity ratio	%	35.9	41.4	43.7	48.9	44.2
Personnel, FTE						
average during financial year		2,706	2,639	2,566	2,725	3,077
at end of financial year		2,686	2,654	2,576	2,589	3,002
Gross capital expenditure	MEUR	190.8	139.2	144.6	125.8	124.0
	% of net sales	28.7	21.9	23.6	19.4	17.4

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

	2016	2015	2014	2013	RESTATED* 2012
Earnings per share (EPS), weighted average					
Diluted, EUR	0.20	0.36	0.30	0.50	0.59
Non–diluted, EUR	0.20	0.36	0.30	0.50	0.59
Equity per share, at end of financial year					
Diluted, EUR	2.76	2.96	3.01	3.44	3.38
Basic, EUR	2.76	2.96	3.01	3.44	3.38
Dividend per share, EUR **	0.40	0.40	0.40	0.37	0.34
Pay–out ratio, %	195.2%	110.6%	132.0%	73.7%	57.6%
Effective dividend yield, % **	5.4%	6.2%	6.2%	4.0%	5.4%
Price/earnings ratio (P/E)	36.1	17.8	21.3	18.2	10.6
Highest share price, EUR	7.91	8.29	10.25	9.86	8.39
Lowest share price, EUR	5.05	6.03	5.61	6.31	5.40
Average share price, EUR	6.51	6.90	7.71	7.96	6.61
Share price at end of financial year, EUR	7.39	6.45	6.45	9.15	6.25
Market capitalisation at end of financial year, MEUR	796.5	694.9	694.8	985.4	672.9
Number of shares traded, thousand	55,577.2	38,995.9	40,519.4	28,117.2	29,743.5
Shares traded, % of total number of shares	51.1%	35.9%	37.6%	26.1%	27.6%
Number of shares, weighted average, diluted	107,747,243	107,734,564	107,717,557	107,691,347	107,731,692
Number of shares, weighted average, non–diluted	107,747,243	107,734,564	107,717,557	107,691,347	107,731,692
Number of shares, at end of financial year, diluted	107,749,314	107,736,679	107,723,371	107,698,697	107,667,136
Number of shares, at end of financial year, non–diluted	107,749,314	107,736,679	107,723,371	107,698,697	107,667,136

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 2016 dividend on March 16, 2017.

DEFINITIONS OF KEY FINANCIAL FIGURES

GROSS PROFIT:	Net Sales – material and service costs
EBITDA:	Operating result before depreciation, amortization and impairment charges
EBITA:	Operating result before amortization and impairment of intangible assets
COMPARABLE EBITA:	Operating result before amortization and impairment of intangible assets - items affecting comparability in EBITA
RETURN ON CAPITAL EMPLOYED (ROCE) %:	EBIT x 100 / Group or segment capital employed (average over the financial period)
COMPARABLE RETURN ON CAPITAL EMPLOYED %:	EBIT – items affecting comparability in EBIT x 100 / Group or segment capital employed (average over the financial period)
CAPITAL EMPLOYED:	Group or segment assets - non-interest-bearing liabilities
RETURN ON EQUITY (ROE) %:	Result for the period x 100 / Total equity (average over the financial period)
COMPARABLE RETURN ON EQUITY (ROE) %:	Result for the period - items affecting comparability in result x 100 / Total equity - items affecting comparability in equity (average over the financial period)
RETURN ON INVESTED CAPITAL (ROI) %:	(Result before taxes + interest and other financial expenses, excluding FX differences) x 100 / Total assets – non–interest–bearing debt (average over the financial period)
EQUITY RATIO %:	Total equity x 100 / Total assets – advances received
EARNINGS PER SHARE (EPS) EUR:	Result for the period +/– non–controlling interest's share of result for the period / Average number of shares adjusted for share issued during the financial period
COMPARABLE EARNINGS PER SHARE:	Result for the period +/- non-controlling interests share of result for the period – items affecting comparability in result / Average number of shares adjusted for share issued during the financial period
SHAREHOLDERS' EQUITY PER SHARE EUR:	Equity attributable to the parent company's shareholders / Number of shares adjusted for share issued on reporting date
PAYOUT 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 amortization
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-issued-adjusted dividend per share x 100 / Share-issued-adjusted final trading price at the end of financial year
PRICE/EARNINGS RATIO:	Share-issued-adjusted final trading price / Earnings per share

PROFITABILITY DEVELOPMENT BY QUARTER

(Quarterly information presented in this table is unaudited)

		FULL YEAR 2016	Q4 2016	Q3 2016	Q2 2016	Q1 2016	FULL YEAR 2015	Q4 2015	Q3 2015	Q2 2015	Q1 2015
Net sales	MEUR	665.2	180.5	169.2	169.4	146.0	635.6	170.5	165.1	159.4	140.6
Operating result before depreciation and amortization (EBITDA)	MEUR	169.0	47.9	47.1	42.2	31.9	168.1	43.7	49.7	46.0	28.6
	% of net sales	25.4%	26.5%	27.8%	24.9%	21.8%	26.4%	25.7%	30.1%	28.9%	20.3%
Operating result before amortization (EBITA)	MEUR	59.2	21.2	14.2	16.6	7.2	66.8	16.8	24.8	21.0	4.1
	% of net sales	8.9%	11.7%	8.4%	9.8%	5.0%	10.5%	9.9%	15.0%	13.2%	2.9%
Operating result (EBIT)	MEUR	38.4	19.2	0.2	14.1	4.8	57.9	14.6	22.6	18.8	2.0
	% of net sales	5.8%	10.6%	0.1%	8.3%	3.3%	9.1%	8.5%	13.7%	11.8%	1.4%
Earnings before taxes (EBT)	MEUR	28.1	16.2	−2.3	11.1	3.2	46.9	12.7	17.7	16.7	−0.2
	% of net sales	4.2%	9.0%	−1.4%	6.5%	2.2%	7.4%	7.5%	10.7%	10.4%	−0.2%

KEY FINANCIAL FIGURES BY SEGMENT

(Quarterly information presented in this table is unaudited)

NET SALES, MEUR	FULL YEAR 2016	Q4 2016	Q3 2016	Q2 2016	Q1 2016	FULL YEAR 2015	Q4 2015	Q3 2015	Q2 2015	Q1 2015
Finland	180.4	49.4	47.6	45.3	38.1	160.2	43.1	45.7	39.4	32.0
Sweden	237.0	64.6	56.6	62.1	53.7	225.4	63.9	53.8	56.8	51.0
Norway	120.2	31.5	30.9	29.9	27.8	120.7	29.2	29.4	31.0	31.0
Denmark	41.7	10.3	10.3	10.8	10.4	42.3	11.1	11.2	10.6	9.4
Europe East	34.4	9.3	10.1	8.4	6.7	34.1	8.8	10.2	8.5	6.6
Europe Central	55.8	15.7	15.4	13.4	11.3	55.4	15.3	15.4	13.7	11.0
Eliminations of sales between segments	−4.4	−0.3	−1.7	−0.4	−2.0	−2.5	−0.9	−0.5	−0.6	−0.4
Total	**665.2**	**180.5**	**169.2**	**169.4**	**146.0**	**635.6**	**170.5**	**165.1**	**159.4**	**140.6**

EBITA (MEUR AND % OF NET SALES)	FULL YEAR 2016	Q4 2016	Q3 2016	Q2 2016	Q1 2016	FULL YEAR 2015	Q4 2015	Q3 2015	Q2 2015	Q1 2015
Finland	24.0	5.8	8.9	6.4	2.9	21.1	6.5	9.3	4.5	0.8
	13.3%	11.8%	18.6%	14.0%	7.7%	13.2%	15.0%	20.4%	11.3%	2.5%
Sweden	26.4	9.7	3.5	8.8	4.4	33.0	8.0	7.7	12.1	5.1
	11.1%	15.1%	6.2%	14.1%	8.2%	14.6%	12.5%	14.3%	21.4%	10.0%
Norway	1.7	2.1	-3.7	1.9	1.3	6.5	0.2	2.4	2.9	1.0
	1.4%	6.8%	-11.9%	6.3%	4.8%	5.4%	0.8%	8.2%	9.4%	3.3%
Denmark	2.3	0.6	0.8	0.5	0.4	0.3	0.5	0.9	0.3	-1.4
	5.5%	6.3%	7.4%	4.3%	4.0%	0.7%	4.4%	8.1%	2.8%	-14.8%
Europe East	7.1	2.7	3.2	1.4	-0.2	7.2	2.1	3.3	1.7	0.1
	20.7%	28.6%	31.6%	17.2%	-2.3%	21.2%	23.5%	32.4%	20.4%	1.9%
Europe Central	3.9	1.8	2.2	0.7	-0.8	3.3	0.8	2.2	0.9	-0.6
	7.0%	11.7%	14.0%	5.0%	-6.7%	5.9%	5.3%	14.0%	6.2%	-5.1%
Unallocated items	-6.2	-1.7	-0.6	-3.0	-0.9	-4.6	-1.3	-1.0	-1.4	-1.0
Group EBITA	59.2	21.2	14.2	16.6	7.2	66.8	16.8	24.8	21.0	4.1
	8.9%	11.7%	8.4%	9.8%	5.0%	10.5%	9.9%	15.0%	13.2%	2.9%

OPERATING RESULT (EBIT) (MEUR AND % OF NET SALES)	FULL YEAR 2016	Q4 2016	Q3 2016	Q2 2016	Q1 2016	FULL YEAR 2015	Q4 2015	Q3 2015	Q2 2015	Q1 2015
Finland	22.6	5.6	8.5	6.0	2.5	19.8	6.2	9.1	4.1	0.4
	12.6%	11.3%	17.9%	13.3%	6.7%	12.4%	14.4%	19.9%	10.5%	1.4%
Sweden	22.1	8.9	2.5	7.5	3.2	28.5	6.8	6.6	11.0	4.1
	9.3%	13.7%	4.4%	12.1%	6.0%	12.6%	10.6%	12.2%	19.4%	8.0%
Norway	-1.4	1.7	-5.1	1.3	0.7	4.7	0.3	1.8	2.3	0.3
	-1.2%	5.5%	-16.5%	4.2%	2.4%	3.9%	0.9%	6.0%	7.5%	1.0%
Denmark	1.8	0.5	0.6	0.3	0.3	-0.1	0.4	0.8	0.2	-1.5
	4.4%	5.3%	6.1%	3.1%	2.9%	-0.3%	3.4%	7.0%	2.0%	-16.0%
Europe East	7.1	2.6	3.2	1.4	-0.2	7.1	2.0	3.3	1.7	0.1
	20.5%	28.4%	31.4%	17.0%	-2.5%	21.0%	23.3%	32.2%	20.2%	1.3%
Europe Central	3.8	1.8	2.1	0.6	-0.8	3.1	0.8	2.1	0.8	-0.6
	6.8%	11.6%	13.8%	4.7%	-7.0%	5.7%	5.1%	13.8%	6.1%	-5.5%
Unallocated items	-17.7	-2.0	-11.6	-3.1	-0.9	-5.2	-1.9	-1.0	-1.5	-0.9
Group EBIT	38.4	19.2	0.2	14.1	4.8	57.9	14.6	22.6	18.8	2.0
	5.8%	10.6%	0.1%	8.3%	3.3%	9.1%	8.5%	13.7%	11.8%	1.4%

PARENT COMPANY FINANCIAL STATEMENTS – FINNISH ACCOUNTING STANDARDS

PARENT COMPANY INCOME STATEMENT

(EUR)	NOTE	JAN–DEC 2016	JAN–DEC 2015
NET SALES	2	**29,153,341.00**	**15,632,408.00**
Other operating income	3	28,446.38	276,141.87
Personnel expenses	4	−3,702,186.45	−2,387,217.08
Depreciation, amortization and impairment charges	5	−15,343,909.63	−3,342,375.11
Other operating expenses	6	−26,691,702.19	−15,869,496.45
OPERATING RESULT		**−16,556,010.89**	**−5,690,538.77**
Financial income	7	14,736,818.68	25,908,907.74
Financial expenses	7	−16,674,408.45	−20,585,005.23
Total financial income and expenses	7	**−1,937,589.77**	**5,323,902.51**
Result before appropriations and taxes		**−18,493,600.66**	**−366,636.26**
Appropriations	8	18,000,000.00	16,000,000.00
Income taxes	9	−51,550.50	−1,175,856.77
RESULT FOR THE YEAR		**−545,151.16**	**14,457,506.97**

PARENT COMPANY BALANCE SHEET

(EUR)	NOTE	DEC 31, 2016	DEC 31, 2015
ASSETS			
Non-current assets			
Intangible assets	10	15,291,896.27	27,991,024.38
Tangible assets	11	46,210.55	16,542.59
Investments			
Investments in group companies	12	459,035,619.66	455,331,387.92
Investments in associated companies	12	4,232,676.12	4,232,676.12
Other investments		76,666.66	-
Non-current receivables	13	145,355,062.02	124,964,484.14
Total non-current assets		**624,038,131.28**	**612,536,115.15**
Current assets			
Trade and other receivables	14	36,351,852.99	26,914,185.15
Cash and cash equivalents	15	101,546.97	234.87
Total current assets		**36,453,399.96**	**26,914,420.02**
TOTAL ASSETS		**660,491,531.24**	**639,450,535.17**
EQUITY AND LIABILITIES			
Equity			
Share capital	16	25,000,000.00	25,000,000.00
Invested unrestricted equity fund	16	113,951,135.33	113,862,184.93
Retained earnings	16	157,395,038.59	186,037,260.22
Profit for the financial year	16	-545,151.16	14,457,506.97
Total equity		**295,801,022.76**	**339,356,952.12**
Liabilities			
Non-current liabilities			
Non-current interest-bearing liabilities	17	187,115,478.09	186,557,514.04
Non-current non-interest-bearing liabilities	17	76,666.66	-
Total non-current liabilities		**187,192,144.75**	**186,557,514.04**
Current liabilities			
Trade payables and other liabilities	18	11,158,397.89	9,237,144.36
Current interest-bearing liabilities	18	166,339,965.84	104,298,924.65
Total current liabilities		**177,498,363.73**	**113,536,069.01**
Total liabilities		**364,690,508.48**	**300,093,583.05**
TOTAL EQUITY AND LIABILITIES		**660,491,531.24**	**639,450,535.17**

PARENT COMPANY CASH FLOW STATEMENT

(EUR)	JAN–DEC 2016	JAN–DEC 2015
Cash flow from operating activities		
Result before taxes	-493,600.66	15,633,363.74
Adjustments:		
Depreciation, amortization and impairment	15,343,909.63	3,342,375.11
Group contribution	-18,000,000.00	-16,000,000.00
Financial income and expenses	1,937,589.77	-5,323,902.51
Other adjustments		-97,000.00
Cash flow from operating activities before change in working capital	**-1,212,101.26**	**-2,445,163.66**
Change in working capital		
Change in trade and other receivables	-7,819,567.84	-4,629,738.48
Change in non-interest-bearing current liabilities	1,275,890.27	-1,025,474.27
Cash flow from operating activities before interests and taxes	**-7,755,778.83**	**-8,100,376.41**
Interest paid	-8,315,827.42	-8,051,637.59
Interest received	2,986,089.54	3,545,309.91
Income tax paid	539,217.50	-608,138.77
Net cash from operating activities	**-12,546,299.21**	**-13,214,842.86**
Cash flow from investing activities		
Acquisition of subsidiaries	-3,704,231.74	-5,500,000.00
Proceeds from sale of shares and holdings	-	750,000.00
Investment in tangible and intangible non-current assets	-2,674,449.48	-5,776,639.75
Change in loans receivable	-20,390,577.88	1,274,937.14
Dividends received	3,000,000.00	9,843,222.20
Net cash flow from investing activities	**-23,769,259.10**	**591,519.59**
Cash flow from financing activities		
Borrowings and repayments of current liabilities (net)	62,881,965.30	59,794,666.75
Borrowings and repayments of non-current liabilities (net)	634,630.71	-19,261,643.15
Dividends paid	-43,099,725.60	-43,094,671.61
Group contributions given and received (net)	16,000,000.00	15,000,000.00
Net cash flow from financing activities	**36,416,870.41**	**12,438,351.99**
Net change in cash and cash equivalents during the financial year	**101,312.10**	**-184,971.28**
Cash at the beginning of the period	234.87	185,206.15
Change in cash	101,312.10	-184,971.28
Cash at the end of the period	**101,546.97**	**234.87**

CONTENTS OF THE NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

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 organized 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 recognized 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 recognized 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.

Gains or losses related to liquidation or merger of subsidiaries are also recognized in financial expenses.

APPROPRIATIONS

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

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 recognized in prior year income statements.

Deferred tax assets and liabilities and changes of them are not recognized 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 capitalized long–term expenditure) with a finite useful life are amortized over the estimated useful life on a straight–line basis. The estimated useful life is 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 depreciation and accumulated impairment charges. Tangible assets that are leased by means of finance or operating leases are not recognized 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

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 recognized if value of subsidiary shares is decreased substantially and permanently.

TRADE RECEIVABLES

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.

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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 recognized affecting operating result in the income statement and those stemming from financing items are recognized 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 2016	AVERAGE RATES 2015	CLOSING RATES 2016	CLOSING RATES 2015
CZK	27.0343	27.2850	27.0210	27.0230
DKK	7.4454	7.4587	7.4344	7.4626
NOK	9.2927	8.9419	9.0863	9.6030
PLN	4.3636	4.1826	4.4103	4.2639
SEK	9.4673	9.3496	9.5525	9.1895

DERIVATIVE INSTRUMENTS

The main derivative instruments used by the company for the financial years 2016 and 2015 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)	2016	2015
Finland	6,044,592.00	3,021,677.00
Sweden	11,576,930.00	6,131,045.00
Norway	5,642,931.00	2,959,104.00
Denmark	2,156,033.00	1,269,996.00
Europe East	1,787,509.00	819,913.00
Europe Central	1,945,346.00	1,430,673.00
Total	**29,153,341.00**	**15,632,408.00**

3. OTHER OPERATING INCOME

(EUR)	2016	2015
VAT refunds from abroad	28,446.38	14,115.38
Other operating income	–	262,026.49
Total	**28,446.38**	**276,141.87**

4. PERSONNEL EXPENSES AND NUMBER OF PERSONNEL

(EUR)	2016	2015
Wages and salaries	−2,608,412.44	−1,924,849.19
Termination benefits	−654,002.00	–
Pension costs	−269,523.74	−343,767.45
Other personnel expenses	−170,248.27	−118,600.44
Total	**−3,702,186.45**	**−2,387,217.08**

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PAID BENEFITS TO KEY MANAGEMENT

(EUR)	2016	2015
CEOs	-638,097.00	-237,803.18
Board members	-315,100.00	-276,906.26
Total	**-953,197.00**	**-514,709.44**

The paid benefits to the CEOs comprise of annual base salary and fringe benefits. For 2016 the amount comprises of payments to the former and current CEO. In 2016 the benefits include also redundancy payments totalling EUR 87 thousand. In addition to a TyEL pension the above CEOs benefits include in 2016 costs for a voluntary pension insurance totalling EUR 77 thousand. In 2015 the employee benefits paid to the CEO did not include any pension or other social costs.

NUMBER OF PERSONNEL

	2016	2015
Average number of personnel during the financial year	19	18

5. DEPRECIATION, AMORTIZATION AND IMPAIRMENT CHARGES

(EUR)	2016	2015
Amortization of intangible assets		
Other intangible rights	-260,375.16	-50,158.25
Other capitalized long-term expenditure	-4,140,749.27	-3,265,576.90
Write-downs of intangible assets	-10,934,513.15	-
Depreciation of tangible assets		
Machinery and equipment	-8,272.05	-26,639.96
Total	**-15,343,909.63**	**-3,342,375.11**

6. OTHER OPERATING EXPENSES

(EUR)	2016	2015
Property operating leases	-206,164.96	-213,194.16
Other property expenses	-18,418.39	-13,420.21
IT and office expenses	-9,847,039.16	-3,826,388.48
Other operating leases	-38,291.97	-45,580.65
External services	-14,242,508.62	-9,169,214.17
Other	-2,339,279.09	-2,601,698.78
Total	**-26,691,702.19**	**-15,869,496.45**

(EUR)	2016	2015
Audit	-81,200.00	-80,000.00
Tax consulting fees	-77,746.00	-96,961.00
Other fees	-16,905.00	-276,853.00
Total	**-175,851.00**	**-453,814.00**

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7. FINANCIAL INCOME AND EXPENSES

(EUR)	2016	2015
Financial income		
Dividend income from subsidiaries	3,000,000.00	9,843,222.20
Interest income from subsidiaries	2,775,948.78	3,226,081.53
Other interest income	419,008.76	528,638.38
Exchange rate gains	8,541,861.14	12,310,965.63
Total	**14,736,818.68**	**25,908,907.74**
Financial expenses		
Interest and other financial expenses to subsidiaries	−2,816.08	−57,964.68
Interest and other financial expenses to external parties	−8,970,658.34	−8,074,478.91
Exchange rate losses	−7,700,934.03	−12,452,561.64
Total	**−16,674,408.45**	**−20,585,005.23**

8. APPROPRIATIONS

(EUR)	2016	2015
Group contribution received/given (+/–)	18,000,000.00	16,000,000.00
Total	**18,000,000.00**	**16,000,000.00**

9. INCOME TAXES

(EUR)	2016	2015
Income tax for the year	–	−1,175,856.77
Income tax for prior years	−51,550.50	–
Total	**−51,550.50**	**−1,175,856.77**

10. INTANGIBLE ASSETS

MOVEMENT IN INTANGIBLE ASSETS 2016

(EUR)	OTHER INTANGIBLE RIGHTS	OTHER CAPITALIZED LONG-TERM EXPENDITURE	TOTAL
Historical cost on January 1	1,075,236.27	32,359,257.14	33,434,493.41
Additions	–	2,636,509.47	2,636,509.47
Write-down	–	−11,427,093.00	−11,427,093.00
Historical cost on December 31	1,075,236.27	23,568,673.61	24,643,909.88
Accumulated amortization on January 1	−306,202.77	−5,137,266.26	−5,443,469.03
Amortization	−260,375.16	−4,140,749.27	−4,401,124.43
Write-down	–	492,579.85	492,579.85
Accumulated amortization on December 31	−566,577.93	−8,785,435.68	−9,352,013.61
Carrying value on January 1	769,033.50	27,221,990.88	27,991,024.38
Carrying value on December 31	508,658.34	14,783,237.93	15,291,896.27

In 2016 Ramirent Plc recognized write-downs of other capitalized long-term expenditure of EUR 10.9 million from discontinuing planned roll-out of the common ERP-platform outside Scandinavia.

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MOVEMENT IN INTANGIBLE ASSETS 2015

(EUR)	OTHER INTANGIBLE RIGHTS	OTHER CAPITALIZED LONG-TERM EXPENDITURE	TOTAL
Historical cost on January 1	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 December 31	1,075,236.27	32,359,257.14	33,434,493.41
Accumulated amortization on January 1	−326,913.50	−1,871,689.36	−2,198,602.86
Amortization	−34,484.60	−3,265,576.90	−3,300,061.50
Write-down	55,195.33	–	55,195.33
Accumulated amortization on December 31	−306,202.77	−5,137,266.26	−5,443,469.03
Carrying value on January 1	49,111.36	25,488,617.12	25,537,728.48
Carrying value on December 31	769,033.50	27,221,990.88	27,991,024.38

11. TANGIBLE ASSETS

MOVEMENT IN TANGIBLE ASSETS 2016

(EUR)	MACHINERY AND EQUIPMENT	TOTAL
Historical cost on January 1	250,398.04	250,398.04
Additions	37,940.01	37,940.01
Historical cost on December 31	288,338.05	288,338.05
Accumulated depreciation on January 1	−233,855.45	−233,855.45
Depreciation	−8,272.05	−8,272.05
Accumulated depreciation on December 31	−242,127.50	−242,127.50
Carrying value on January 1	16,542.59	16,542.59
Carrying value on December 31	46,210.55	46,210.55

MOVEMENT IN TANGIBLE ASSETS 2015

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

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12. INVESTMENTS

MOVEMENT IN INVESTMENTS 2016

(EUR)	INVESTMENTS IN GROUP COMPANIES	INVESTMENTS IN ASSOCIATED COMPANIES	TOTAL
Historical cost on January 1	455,331,387.92	4,232,676.12	459,564,064.04
Additions	3,704,231.74	–	3,704,231.74
Historical cost on December 31	459,035,619.66	4,232,676.12	463,268,295.78
Carrying value on January 1	455,331,387.92	4,232,676.12	459,564,064.04
Carrying value on December 31	459,035,619.66	4,232,676.12	463,268,295.78

MOVEMENT IN INVESTMENTS 2015

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

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

13. NON–CURRENT RECEIVABLES

(EUR)	2016	2015
Loan receivables from Ramirent Plc's subsidiaries	132,428,909.72	109,687,470.28
Loan receivables from joint ventures	12,926,152.30	15,266,513.86
Loan receivables from others	–	10,500.00
Total	**145,355,062.02**	**124,964,484.14**

14. CURRENT RECEIVABLES

(EUR)	2016	2015
Current receivables from Ramirent Plc's subsidiaries		
Trade receivables	7,918,656.93	5,085,014.34
Prepayments and accrued income	25,124,011.62	18,313,224.49
Current receivables on external parties		
Trade receivables	158,346.84	168,346.84
Prepayments and accrued income	1,858,541.64	2,582,585.95
Other receivables	146,429.70	174,242.63
Current tax assets	1,145,866.26	590,770.90
Total	**36,351,852.99**	**26,914,185.15**

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)	2016	2015
Cash at banks and in hand	101,546.97	234.87

16. EQUITY

CHANGES IN EQUITY 2016

(EUR)	SHARE CAPITAL	INVESTED UNRESTRICTED EQUITY FUND	RETAINED EARNINGS	TOTAL EQUITY
On January 1	25,000,000.00	113,862,184.93	200,494,764.19	339,356,949.12
Dividend distribution	–	–	-43,099,725.60	-43,099,725.60
Disposal of own shares	–	88,950.40	–	88,950.40
Profit for the year	–	–	-545,151.16	-545,151.16
On December 31	25,000,000.00	113,951,135.33	156,849,887.43	295,801,022.76

CHANGES IN EQUITY 2015

(EUR)	SHARE CAPITAL	INVESTED UNRESTRICTED EQUITY FUND	RETAINED EARNINGS	TOTAL EQUITY
On January 1	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 December 31	25,000,000.00	113,862,184.93	200,494,767.19	339,356,952.12

The company's share capital on December 31, 2016 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)	2016	2015
Retained earnings	157,395,038.59	186,037,260.22
Profit for the year	-545,151.16	14,457,506.97
Invested unrestricted equity fund	113,951,135.33	113,862,184.93
Total distributable funds	**270,801,022.76**	**314,356,952.12**

DIRECTED SHARE CONVEYANCE FOR KEY PERSONS

On February 10, 2016 the Board decided, based on the share issue authorization granted by the AGM, to convey 12,635 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 2013. 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 88,950.40 was recognized in the invested unrestricted equity fund.

For the Board of Directors' valid authorizations on disposal of the company's own shares, its valid authorization 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)	2016	2015
Non-current liabilities to external parties		
Loans from financial institutions	187,115,478.09	186,557,514.04
Non-current non-interest-bearing liabilities	76,666.66	–
Total	**187,192,144.75**	**186,557,514.04**

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18. CURRENT LIABILITIES

(EUR)	2016	2015
Current liabilities to Ramirent Plc's subsidiaries		
Current interest-bearing liabilities	5,913,752.63	11,160,056.65
Trade payables	460,676.89	1,070,423.17
Accrued expenses	666,913.97	199,343.08
Current liabilities to external parties		
Loans from financial institutions	160,426,213.21	93,138,868.00
Trade payables	2,073,495.59	1,934,580.21
Accrued expenses	6,516,460.30	6,032,797.90
Other liabilities	1,440,851.14	–
Total	**177,498,363.73**	**113,536,069.01**

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

OFF-BALANCE SHEET COMMITMENTS ON DECEMBER 31, 2016

(EUR)	TO SECURE OTHER OWN OBLIGATIONS	TOTAL
Suretyships	2,827,895.37	2,827,895.37

OFF-BALANCE SHEET COMMITMENTS ON DECEMBER 31, 2015

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

Ramirent has covenants in its major borrowing facility agreements. As at December 31, 2016 Ramirent was in compliance with all covenants and other terms of its debt instruments.

FUTURE LEASE PAYMENTS

(EUR)	2016	2015
Due within one year from balance sheet date	37,859.40	162,648.00
Due later than one year from balance sheet date	–	23,840.00
	37,859.40	186,488.00

DERIVATIVE INSTRUMENTS

(EUR)	2016	2015
Par value of underlying object	97,656,416.80	56,975,424.35
Fair value of interest rate SWAPs	-741,324.42	-1,223,619.53

FOREIGN CURRENCY DERIVATIVES

(EUR)	2016	2015
Par value of underlying object	61,105,621.83	43,136,435.08
Fair value of the derivative instruments	-345,877.72	283,640.48

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

Helsinki, February 16, 2017

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

Tapio Kolunsarka
CEO

Auditor's note
Our auditors' report has been issued today.

Helsinki, February 16, 2017

PricewaterhouseCoopers Oy
Authorised Public Accountants

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Ylva Eriksson
Authorised Public Accountant

CORPORATE GOVERNANCE STATEMENT 2016

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 corporate governance statement reporting section of the Finnish Corporate Governance Code 2015. 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.

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.

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 2016:

- 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.

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

The term of the current Board members will expire at the end of AGM 2017.

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 Rules of Procedures are described on the company's web pages at www.ramirent.com under Investors/Governance). 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 organization 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 2016, the Board had 9 meetings. The percentage for participation was 97%.

NUMBER OF BOARD AND COMMITTEE MEETINGS IN 2016 AND PARTICIPANT ATTENDANCE:

	BOARD	WORKING COMMITTEE
Kevin Appleton	9/9	
Kaj-Gustav Bergh	7/9	
Anette Frumerie	9/9	
Ulf Lundahl	9/9	5/5
Tobias Lönnevall	9/9	5/5
Mats O Paulsson	9/9	
Susanna Renlund	9/9	5/5

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 authorization 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 financial 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 2016 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 2015 Recommendation 16. According to Recommendation 16, majority of the 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 2016, the Working Committee had 5 meetings. The percentage for participation was 100%.

DIVERSITY AND ASSESSMENT OF INDEPENDENCY OF THE BOARD OF DIRECTORS

For the versatile support and development of the Company's business, the Company's Board of Directors composition should be sufficiently diverse. Both genders shall be represented on the Board of Directors. The overall aim of the Board composition is to achieve sufficiently extensive qualifications, expertise and experience. The sufficient diversity of the Board of Directors, including age and gender, as well as educational and professional background, is taken into account in the preparation of a proposal for the composition of the Board of Directors. For the evaluation of the diversity and composition of the Board of Directors, each candidate shall provide confident information necessary for the assessment of skills and time management for the preparation of a proposal for the composition of the Board, in accordance with the instructions provided by the Company.

In practice, the Company has endeavored to comply with the abovementioned principles already in the past. The members of the Company’s Board of Directors have broad and versatile competence, and the current breakdown by age and gender (there are altogether 7 members in the Board of Directors, of which 2 are women, i.e. approximately 29%) as well as educational and international background promote fulfillment of diversity, and thus, support the Company’s business operations and its development.

The proposal for the Board composition is prepared by the largest shareholders.

The Board of Directors must evaluate the independence of its members. The majority of the members must be independent of the Company. In addition, at least two of the members representing this majority shall be independent of significant shareholders of the Company.

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 Executive 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 Tapio Kolunsarka as Managing Director effective from August 8, 2016. Tapio Kolunsarka is born 1975 and is a Finnish citizen, M.Sc. (Eng. and Econ.) His prior working experience includes: Executive Vice President of UPM Raflatac 2016-2013; Senior Vice President of UPM Raflatac EMEA 2013-2011; Senior Vice President of UPM Raflatac Europe 2011-2008; several leading positions in UPM Raflatac in Finland and in the United States 2008-2002. Before joining UPM he was a consultant at McKinsey & Company.

Tapio Kolunsarka’s Ramirent-ownership: 38,447 shares on December 31, 2016.

Magnus Rosén (b. 1962, Swedish citizen) was the Managing Director of the Company between January 15, 2009 and August 8, 2016.

GROUP MANAGEMENT 2016

As of August 18, 2016, Ramirent’s Group Management only consists of the members of the Executive Management Team (EMT). Previously Group Management consisted, in addition to the EMT members, also of Senior Vice Presidents forming an extended Group Management Team (GMT).

The EMT is an operational body, and thus, it does not constitute a statutory body of the Company.

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 members report to the Group President and CEO and will convene when called by the CEO. The EMT consists of the following members:

- Tapio Kolunsarka, Group President and CEO
- Pierre Brorsson, Executive Vice President and Chief Financial Officer
- Ulrika Dunker, Executive Vice President, Human Resources (as of February 6, 2017)
- Øyvind Emblem, Executive Vice President, Norway
- Mikael Kämpe, Executive Vice President, Finland
- Dino Leistenschneider, Executive Vice President, Sourcing and Fleet Management
- Heiki Onton, Executive Vice President, Baltics and Europe Central
- Jonas Söderkvist, Executive Vice President, Sweden and Denmark

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.

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 has approved the Internal Control Policy and the Risk Management Policy. 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 risk identification, assessments, integration and responses and monitoring. The risk management process is continuous. Regular risk assessments are conducted and reported to the Board quarterly. 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. Accounting functions in the countries other than referred above (Sweden, Denmark, Norway, Finland) are still independent with reporting lines to the Group head office. Internal control at the country level is the responsibility of the Country or Segment EVP in accordance with the Group framework.

Common Group instructions are given by the head office in the areas of business development, treasury, credit risk management and collection, inventories and fleet management, intangible assets management, finance, accounting and control and financial reporting.

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 set 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 end-to-end for the financial reporting purposes and internal controls have been designed based on the risk assessment. Key processes are order-to-cash, purchase-to-pay, rental asset management and record-to-report.

Common control points for the key processes for Ramirent business units are defined and set 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.

Internal audit assesses the efficiency and appropriateness of operations and examines the functioning of internal controls in Ramirent Group. 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, as well as rules and regulations relating to financial markets.

MONITORING

Ramirent is constantly monitoring effectiveness of its internal controls. The audit function supports management by evaluating the operation of internal controls 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

Ramirent has had outsourced internal audit performed by an external service provider. In 2016 Ramirent has been working towards insourcing the internal audit activities.

The objective of the internal audit is to provide assurance and to support management in development of operational efficiency and effectiveness by evaluating and expressing opinion on the functioning of the internal controls. 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 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. 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.

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 March 17, 2016 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.

Fees paid to the auditors include remuneration paid for audit services amounting to EUR 281 (288) thousand and remuneration paid to the company's auditor for non-audit services amounting to EUR 185 (425) thousand.

INSIDER ADMINISTRATION

In its insider administration Ramirent complies inter alia with the following laws and regulations: the Finnish Securities Market Act, EU Market Abuse Regulation ("MAR"), regulations and guidelines issued by the Finnish Financial Supervisory Authority, and rules and guidance issued by Nasdaq Helsinki Ltd.

Ramirent has adopted internal Ramirent Insider Instructions which comply with the Nasdaq Helsinki Guidelines for Insiders.

The members of the Board of Directors and its secretary, the President and CEO, and the members of the Group Executive Management Team are defined as persons discharging managerial responsibilities (the "Manager(s)"). The Managers, as well as persons closely associated with them, shall notify the company and the Finnish Financial Supervisory Authority of transactions relating to the shares or other financial instruments of the company, provided that the total amount exceeds EUR 5,000 within a calendar year. In addition, the company shall disclose to the public such transactions with a stock exchange release.

In addition, the company has also designated certain persons preparing interim financial reports or year-end reports, as well as certain other managers of the company and persons responsible for its finances, financial reporting and communications, and persons who have access to the abovementioned information, regardless if they have inside information, as persons within the information core of the company.

A Manager and a person within the information core of the company shall not conduct any transactions on its own account or for the account of a third party, directly or indirectly, relating to the Ramirent shares or other financial instruments linked to them during a closed period of 30 calendar days before the announcement of an interim report or a year-end report and including also the day of the publication of an interim report or a year-end report (Closed Window).

Ramirent complies with MAR and other applicable rules and regulations in administration of insider information and thereto related insider lists. The company maintains a project or event specific insider list of all the people, who have an access to inside information and who work under an employment agreement or otherwise take care of tasks through which they have an access to inside information, for example as advisor. Also Managers, who are aware of a project, are registered on the list. Project-specific insiders may not disclose nor take advantage of such unpublished confidential company information (i.e. no trading on Ramirent securities or related derivative financial instruments is allowed while holding insider information).

The company also complies with MAR and other applicable rules and regulations regarding disclosure obligations (e.g. procedures relating to defining certain information as inside information and delaying of disclosure of inside information).

REMUNERATION STATEMENT 2016

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 2015. 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 2016 decided – based on the proposal of the Company's shareholders Nordstjernan AB and Oy Julius Tallberg Ab, who together represented approximately 40 per cent of the voting rights carried by the Company's shares at the time of publication of the AGM notice on February 11, 2016 – 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)	2016	2015
Appleton, Kevin	36.0	31.7
Bergh, Kaj-Gustaf	34.0	33.0
Frumerie, Anette	36.0	24.3
Lundahl, Ulf	68.0	55.8
Lönnevall, Tobias	41.0	27.3
Paulsson, Mats O	36.0	33.0
Renlund, Susanna	48.2	43.0
Total	**299.2**	**276.9**

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 EXECUTIVE 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 Executive Management Team members are based on CEO's proposal and subject to Board approval.

The Board decisions are based on the Working Committee's proposal. The Working Committee prepares issues pertaining to the fixed salary and short-term incentive of the President and CEO. Furthermore, the Working Committee prepares a proposal regarding the employment terms, total remuneration package and the compensation paid upon in an event of contract termination.

It is also the responsibility of the Working Committee to prepare a proposal regarding all matters pertaining to the long-term incentive schemes of the Company.

The remuneration of the President and CEO and the other members of the Executive 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, Executive 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 Executive Management Team members.

INFORMATION ABOUT VALID AUTHORISATIONS OF THE BOARD OF DIRECTORS CONCERNING REMUNERATION, AS WELL AS DECISIONS MADE BY THE BOARD OF DIRECTORS AS PART OF REMUNERATION

The Annual General Meeting of 2016 resolved to grant to the Board of Directors an authorization to decide on the repurchase of the Company's own shares. The authorization is valid until the Annual General Meeting of 2017, and besides other purposes, the own shares may be repurchased also as part of the Company's incentive program. Own shares have not been repurchased for incentive program purposes during the year 2016.

The Annual General Meeting of 2016 resolved to grant to the Board of Directors an authorization to decide on the share issue and/or issuance of option rights, convertible bonds and/or other special rights entitling to shares. The authorization shall be valid until March 17, 2021 and it entitles the utilization of the authorization, among other things, for directed share issue as part of the Company's incentive program for personnel (either against payment or for free). The authorization granted in 2016 was not utilized for incentive program purposes during the year 2016.

SETTLEMENT OF THE LONG-TERM INCENTIVE PROGRAM 2013

The Board of Directors of Ramirent decided on February 10, 2016 on a directed share issue for the reward payment from Ramirent Long-term incentive program 2013. In the share issue 12,635 existing Ramirent Plc shares were conveyed without consideration to the key persons participating in the Long-term incentive program 2013 according to the terms and conditions of the plan. As the program was set forth 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 key persons are required to hold the shares received on the basis of the program as long as the value of the shares held by a key person in total corresponds to a value less than the person's six months gross salary.

The decision on the directed share issue was based on the authorization granted to the Board of Directors by the Annual General Meeting of Shareholders held on March 26, 2013.

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 (EP) of the Group and the respective segment or country. The achievement of the targets of the CEO and the Executive Management Team members is evaluated by the Working Committee and the payment of the eventually achieved bonuses is confirmed by the Board.

In 2016, the maximum annual bonus for the CEO could be up to 80 percent of his annual base salary. For the other members of the Executive Management Team the maximum annual bonus could be up to 50 percent of their annual base salary.

PERFORMANCE–BASED LONG–TERM INCENTIVE PROGRAMS

SHARE–BASED INCENTIVE PLANS

During the financial year 2016, Ramirent Plc had four share-based incentive plans in operation. The plans have been established to form part of the long-term incentive and commitment program for the key personnel of the company and its subsidiaries. The aim is to combine the objectives of the shareholders and the key personnel in order to increase the value of the company, to commit the key personnel to the company, and to offer the key personnel a competitive reward program based on holding the company´s shares. In the plans the participants are offered the opportunity to earn matching shares on the basis of share ownership and performance shares on the basis of performance targets set for a three-year earning period. Plan 2013-2015 ended in 2016 and a total number of 12,635 net shares and a cash payment equaling to the value of 12,490 shares were paid. An eventual reward from the earning periods 2014-2016, 2015-2017 and 2016-2018 is based on the share ownership (matching), Economic Profit (performance) and Total Shareholder Return (TSR), which may cut the total number of shares earned. No reward shall be paid to a person who's employment ends prior to the reward payment. The maximum reward to be based on the basis of the incentive programs 2014, 2015 and 2016 will correspond to the value of up to 1,350,000 Ramirent Plc shares (including also the proportion to be paid in cash).

DEFERRED INCENTIVE PLAN 2017

The Board of Directors of Ramirent Plc approved on December 14, 2016 a new Deferred Incentive Plan (DIP) for 2017 to maximally support the company's short-term key priority of delivering improved EBITA and to offer key employees a competitive reward and retention program. This plan will in 2017 serve as the Long-term Incentive Program as it has been called in previous years. The new incentive plan includes one earning period, calendar year 2017, with a lock-up period of two years whereby the potential reward will be paid in cash in 2020. The incentive plan has been extended to include approximately 120 key employees. The members of the Executive Management Team are included in the target group of the new incentive plan. The potential reward from the incentive plan for the earning period 2017 will be based on the participant's short term incentive plan targets. In addition, to combine the objectives of the shareholders and the Executive Management Team, the total reward potential for Executive Management Team members will also be based on the Group's Total Shareholder Return (TSR) for the earning period 2017 and the two-year lock-up period. The maximum reward of the new Deferred Incentive Plan 2017 to be paid in cash in 2020 will correspond to up to 3.7 million euros.

RECOGNITION PRINCIPLES OF THE LONG–TERM INCENTIVE PROGRAMS

The long-term incentive programs 2014, 2015 and 2016 are partly equity– settled and partly cash–settled. The costs are accrued over the vesting period for each program. The part of the reward that is settled in shares is valued at fair value at the grant date and the costs are recognized in equity. The part of the reward that is settled in cash is recognized 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 total expenses recognized in 2016 for the on–going long–term incentive programs and the Deferred Incentive plan total EUR 0.6 million and liability as at December 31, 2016 totals EUR 0.5 million (EUR 0.5 million).

REMUNERATION OF THE PRESIDENT AND CEO

The President and CEO's remuneration consists of a base salary, fringe benefits, a supplementary pension scheme, performance-related annual bonus and a long-term incentive plan. The President and CEO's annual bonus is determined annually by the Board on the basis of the Group's key targets and is, at maximum, 80 percent of the President and CEO's annual base salary. CEO Tapio Kolunsarka's annual base salary is EUR 460,000 excluding benefits (car, housing, mobile phone).

In 2016, the total remuneration paid to Tapio Kolunsarka consisting of fixed annual base salary and fringe benefits was EUR 320,742 (during his eight months of employment). In addition, his accrued bonus for 2016 and due for payment in 2017 totaled EUR 67,467. Tapio Kolunsarka's holdings of shares are presented in the table below.

The President and CEO is entitled to participate in the Company's long-term incentive program. According to the initial allocation, the maximum reward for the share-based incentive plan 2016–2018 on the basis of performance accounts for a total of 106,206 shares and the number of shares to be paid on the basis of Ramirent share ownership accounts for 24,092 shares. The maximum reward for the 2017 Deferred Incentive Plan is EUR 459,996.

Tapio Kolunsarka's retirement age and pension are determined in accordance with Finland's Pensions Act. In addition, Tapio Kolunsarka's pension accruing during the time he holds the position of the President and CEO is arranged through a separate supplementary pension insurance, which is 25% of annual base salary. No separate agreement regarding early retirement has been made. Should his employment contract be terminated before retirement, he has the right to the equivalent of 12 months' salary and the salary for a 12-month term of notice.

In 2016, the total compensation payable to the President and CEO of Ramirent consisting of fixed salary, pension payments, fringe benefits and annual bonus accrued for 2016 was EUR 610,076 to Mr. Rosén and EUR 397,408 to Mr. Kolunsarka.

TABLE ON DETAILS CONCERNING THE REMUNERATION OF THE PRESIDENT AND CEO TAPIO KOLUNSARKA

	FROM MAY 1 UNTIL DEC 31, 2016
Base salary	EUR 306,667
Fringe benefits	EUR 14,075
Annual Bonus	EUR 67,467
Allocated LTI 2016-2018 maximum reward	106,206 shares (performance) 24,092 shares (matching)
Allocated DIP 2017 maximum reward	EUR 459,996
Shares owned (# of shares on Dec 31)	38,447
Retirement age	In accordance with Finland's Pensions Act
Supplementary pension premium (25% of annual base salary)	EUR 76,667
Period of notice	12 months
Severance payment (in addition to notice period)	12 months' salary including fringe benefits

REMUNERATION OF THE EXECUTIVE MANAGEMENT TEAM

The compensation for the members of the Executive Management Team comprises a base salary and an annual bonus, based on the Group's annual result and the achievement of personal targets. The bonus amount is evaluated by the Working Committee and the payment of the eventually achieved bonuses is confirmed by the Board. The maximum annual bonus could be up to 50 percent of the annual base salary.

The members of the Executive Management Team are included in the long-term incentive programs for company key employees. In 2016, on the basis of the long-term incentive plans, the members of the Executive Management Team received 3,721 Ramirent shares (excluding shares received by the President and CEO, whose information is presented in the previous paragraph) together with a cash bonus equal to the amount required to cover taxes and similar charges arising from the receipt of shares. In 2016, the total compensation payable to the EMT members excluding the President and CEO of Ramirent consisting of fixed salary, pension payments, fringe benefits and annual bonus accrued for 2016 was EUR 1,547,326 (including also Anna Hyvönen who was a member of EMT until end of March 2016).

The total expenses recognized in 2016 for the on–going long-term incentive programs for the EMT-members total EUR 0.3 million.

No separate agreement regarding early retirement has been made for the members of the Executive Management Team. The notice period is six months and compensation for the termination of the employment contract prior to retirement is a maximum of 6-12 months' salary.

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.

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 Eltel AB, Fidelio Capital AB and Handelsbanken Regional Bank Stockholm and Board member of Holmen AB, Indutrade AB and Attendo AB.

RAMIRENT SHARES

Dec. 31, 2016: 10,000

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.

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.

RAMIRENT SHARES

Dec. 31, 2016: 10,000 (holding of interest parties 12,207,229)

KEVIN APPLETON

B. 1960. B.A. British citizen. Board member since 2012. Deemed to be independent of the Company and of significant shareholders.

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), Director and Chairman of Horizon Platforms Ltd, Director of KCA Business Services Ltd and Director of Arco Ltd.

RAMIRENT SHARES

Dec. 31, 2016: 2,075

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.

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 Sponda Oyj and Oy Julius Tallberg Ab, Board member of Wärtsilä Oyj Abp, JM AB and Stockmann Oyj Abp.

RAMIRENT SHARES

Dec. 31, 2016: 37,000 (holding of interest parties 12,800,729)

ANETTE FRUMERIE

Born 1968, M.Sc. (Eng.), Swedish citizen. Board member since 2015. Deemed to be independent of the Company and of significant shareholders.

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.

RAMIRENT SHARES
Dec. 31, 2016: -

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.

Tobias Lönnevall is a Senior 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).

Board member of Attendo AB.

RAMIRENT SHARES
Dec. 31, 2016: - (holding of interest parties 21,863,716)

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.

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, Win group Ag, Torpheimergruppen AB, BTH Bygg AB, Kanonaden Entreprenad AB, Modulbetong i Lund AB and Bösarps grus och Torrbruk AB.

RAMIRENT SHARES
Dec. 31, 2016: 10,000

EXECUTIVE MANAGEMENT TEAM

1 TAPIO KOLUNSARKA PRESIDENT AND CEO

B. 1975, Finnish citizen, M.Sc. (Eng. and Econ.). Employed since 2016.

PRIOR WORKING EXPERIENCE:

Executive Vice President of UPM Raflatac 2016-2013; Senior Vice President of UPM Raflatac EMEA 2013-2011; Senior Vice President of UPM Raflatac Europe 2011-2008; several leading positions in UPM Raflatac in Finland and in the United States 2008-2002; before joining UPM he was a consultant at McKinsey & Company.

RAMIRENT SHARES

Dec. 31, 2016: 38,447

2 PIERRE BRORSSON EVP AND CHIEF FINANCIAL OFFICER

B. 1972. Swedish citizen, M.Sc. (Ba.). Employed since 2016.

PRIOR WORKING EXPERIENCE:

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.

RAMIRENT SHARES

Dec. 31, 2016 : 10,347

3 DINO LEISTENSCHNEIDER EVP, FLEET AND SOURCING

B. 1971. German citizen, M.Sc. (Eng.), M.Sc. (Ind. Ec.). Employed since 2010

PRIOR WORKING EXPERIENCE:

Prior working experience: Director, Group Sourcing, Ramirent Plc, 2010–2013; Project Leader Business Development, Skanska Industrial Production Nordics, 2010; European Category Manager, Skanska AB 2007–2009; Category Management Coordinator, Skanska AB, 2005–2007; Purchasing Manager Maxit Group AB, 2003–2005; Restructuring Manager Logistic (a.o.), Unilever Bestfoods, 2000–2003.

RAMIRENT SHARES

Dec. 31, 2016: 8,377

4 JONAS SÖDERKVIST EVP, SWEDEN AND DENMARK

B. 1978. Swedish citizen, M.Sc. (Eng.), M.Sc. (Econ.). Employed since 2009.

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.

RAMIRENT SHARES

Dec. 31, 2016: 27,070

5 MIKAEL KÄMPE EVP, FINLAND

B. 1968. Finnish citizen. B.Sc. (Eng.). Employed since 2004.

PRIOR WORKING EXPERIENCE:
SVP, Ramirent Europe Central 2013–2016; 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.

RAMIRENT SHARES
Dec. 31, 2016: 16,712

6 ULRIKA DUNKER EVP, HUMAN RESOURCES

B. 1975, Swedish citizen, B. (Ed.) Employed since February 6, 2017.

PRIOR WORKING EXPERIENCE:
Head of HR at Kungliga Operan AB, 2016–2017; VP Human Resources, Sandvik Construction 2013–2016 and of Sandvik Venture 2014–2016; HR Manager, Sandvik IT 2012–2013; Human Resources Advisor, Sandvik Materials Technology 2010–2011; Team Manager, Sandvik IT Services AB 2009–2010; Staffing Manager, AB Sandvik Systems Development 2007–2009.

RAMIRENT SHARES
Dec. 31, 2016: -

7 HEIKI ONTON EVP, BALTICS AND EUROPE CENTRAL

B. 1978. Estonian citizen. Ph.D. (Eng.). Employed since 2001.

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.

RAMIRENT SHARES
Dec. 31, 2016: 10,158

8 ØYVIND EMBLEM EVP, NORWAY

B. 1970. Norwegian citizen, M.Sc. (Tech.), MBA. Employed since 2015.

PRIOR WORKING EXPERIENCE:
SVP, Ramirent Norway from April-December 2015. Global Sales Director Spirits at Arcus Gruppen AS 2013–2015; 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.

RAMIRENT SHARES
Dec. 31, 2016: -

AUDITOR'S REPORT (TRANSLATION FROM THE FINNISH ORIGINAL)

To the Annual General Meeting of Ramirent Plc

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

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
- the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements in Finland and comply with statutory requirements.

WHAT WE HAVE AUDITED

We have audited the financial statements of Ramirent Oyj (Business ID: 0977135-4) for the year ended 31 December 2016. The financial statements comprise:

- the consolidated statement of financial position, statement of income, statement of comprehensive income, statement of changes in equity and statement of cash flows, and notes to the consolidated financial statements, which include a summary of significant accounting policies; and
- the parent company's balance sheet, income statement, cash flow statement and notes to the financial statements

BASIS FOR OPINION

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENCE

We are independent of the parent company and of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in Finland, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

OUR AUDIT APPROACH

OVERVIEW

Materiality
- Overall group materiality: € 4 million.

Group scoping
- The group audit scope includes all significant companies in Finland, Sweden, Norway, Denmark and Poland, covering the vast majority of revenues, assets and liabilities.

Key Audit matters
- Revenue recognition
- Valuation of goodwill
- Valuation and existence of fleet assets
- Impairment charges and restructuring costs

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

MATERIALITY

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial statements as a whole.

Overall group materiality	€ 4 million
How we determined it	Net sales and profit before tax for 2016
Rationale for the materiality benchmark applied	We chose the combination of net sales and profit before taxes as the benchmark because, in our view, the performance of the Group is most commonly measured by using these criteria, and it is a generally accepted benchmark.

HOW WE TAILORED OUR GROUP AUDIT SCOPE

The scope of our audit was tailored to ensure that we get sufficient coverage to our audit, in order to issue an audit opinion for the Group, taking into account the structure of the Group, the accounting processes and controls and the size, complexity and risk of individual subsidiaries. The group audit scope was focused on the most significant companies in Finland, Sweden, Norway, Denmark and Poland. In addition, we performed analytical procedures at group level over the remaining companies.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

KEY AUDIT MATTER IN THE AUDIT OF THE GROUP

REVENUE RECOGNITION

Refer to notes 1 and 4 in the consolidated financial statements.

The Group's revenue streams consist of rental of construction machinery and equipment, services related to the rental of machinery and equipment, trade of construction related goods and sale of used equipment.

Rental revenue from operating leases is recognised on a straight line basis over the term of the relevant lease arrangement. Revenues from services are recognised in the period when the service is rendered to the customer. Equipment which is no longer held for rental, is transferred from tangible assets to inventory and recorded as revenue when a sales transaction takes place.

Revenue recognition include a risk that revenue is not recorded in the correct period or that recorded sales transactions have not occurred. Therefore, this has been a focus area in our audit.

HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER

We reviewed management's key controls around revenue and receivables.

In addition, we performed substantive testing of revenue transactions including, among other things, the following:

- We used revenue data auditing techniques to check revenue transactions. This enabled us to focus our testing on higher risk transactions.
- We selected sales invoices recorded during the financial period on a sample basis and matched incoming cash to recorded revenue transactions.
- We tested a sample of sales transactions recorded in December 2016 and January 2017 to evaluate that revenue had been recognized in the right period.
- We tested credit invoices issued in January 2017 to ensure that they were recorded in the right financial period
- We tested a sample of accrued income and deferred revenue balances by reference to supporting documentation.

VALUATION OF GOODWILL

Refer to notes 1 and 13 in the consolidated financial statements.

As at 31 December 2016 the Group's goodwill balance amounted to € 138 million.

The company tests goodwill for potential impairment annually and whenever there is an indication that the carrying value may be impaired by comparing the recoverable amount against the carrying value of the goodwill. The recoverable amounts are determined using value in use model.

Valuation of goodwill is a focus area in the audit due to the size of the goodwill balance and the high level of management judgement involved in relation to estimates of future cash flows.

Our audit of goodwill valuation focused on management's judgement and estimates used. We have assessed the appropriateness of these through the following procedures:

- We tested the methodology applied in the value in use calculation by comparing it to the requirements of IAS 36, *Impairment of Assets*, and we tested the mathematical accuracy of the calculations
- We evaluated the process by which the future cash flow forecasts were drawn up.
- We tested the key underlying assumptions for the cash flow forecasts, including sales and profitability forecasts, discount rates used and the implied growth rate beyond the forecasted period, e.g. by comparing sales forecasts to budget and long-term financial targets approved by the Board of Directors.
- We compared the current year actual results included in the prior year impairment model to corroborate the reliability of management's estimates; and
- We considered whether the sensitivity analysis performed by management around key drivers of the cash flow forecast was appropriate by considering the likelihood of the movements of these key assumptions.

We also considered the appropriateness of the related disclosures provided in note 13 in the Group financial statements.

VALUATION AND EXISTENCE OF FLEET ASSETS

Refer to notes 1 and 14 in the consolidated financial statements.

As at 31 December 2016 the Group's rental fleet assets amounted to € 463 million.

The estimates of the fleet assets' useful lives and residual value have a significant impact on the financial statements both in terms of the annual depreciation charge and the profits recognized on the disposal of fixed assets. In addition, fleet assets have a high frequency of movement in individual assets, through asset purchases, hires, disposals and transfers around the customer centres.

Valuation and existence of fleet assets is a focus area in the audit due to the size of the fleet assets balance and the high level of management judgement involved in ensuring that fleet assets are accurately valued.

Our audit work included testing of the operating effectiveness of key controls in place to ensure existence and appropriate value of rental assets. Such controls include authorisation of additions, disposals and scrappings, evaluation of the useful economic lives, stock taking routines and the reconciliation of fixed assets registers to the accounting records.

In addition, our audit procedures included, among other things, the following:

- We attended a number of the fleet counts and performed independent test counts to validate the existence of assets and accuracy of the counting performed. We tested that the records from the counts had been used to update both the fixed asset register and the accounting ledgers.
- We selected a sample of assets acquired in the year and agreed the amounts recorded on the fixed assets registers to invoices.
- We tested the depreciation of the fixed assets mainly through analytical audit procedures.

IMPAIRMENT CHARGES AND RESTRUCTURING COSTS

Refer to notes 1, 9 and 24 in the consolidated financial statements.

Following a review of business performance the Company identified impairment triggers for certain tangible and intangible assets. As a result of the review, impairment charges and restructuring costs amounting to € 20 million (before taxes) were recorded in the consolidated financial statements.

We considered this a focus area as the impact of the costs recorded is significant it involves a high degree of management judgement.

The parent company separate financial statements include € 12 million of the costs referred to above. Consistent with the audit of the consolidated financial statements, we have considered this as a focus area also in the separate financial statements of the parent company.

Our audit procedures were designed to assess the appropriateness of the recorded costs through the following procedures, among other:

- We tested the assumption as set by management for the future economic benefits of tangible and intangible assets reviewed by the Company.
- We inspected an external third party valuator's report, which supported the remaining carrying value of fleet assets under review.
- We inspected a listing of costs incurred by location and tested, on a sample basis, the supporting documentation.

Except for the matters mentioned above, we have no key audit matters to report with respect to our audit of the parent company financial statements.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR FOR THE FINANCIAL STATEMENTS

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, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 parent company's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER REPORTING REQUIREMENTS

OTHER INFORMATION

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises information included in the report of the Board of Directors and in the Annual Report, but does not include the financial statements and our auditor's report thereon. We obtained the report of the Board of Directors prior to the date of this auditor's report and the Annual Report is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to the report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion

- the information in the report of the Board of Directors is consistent with the information in the financial statements
- the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed on the information included in the report of the Board of Directors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Helsinki 16 February 2017

PricewaterhouseCoopers Oy
Authorised Public Accountants

Ylva Eriksson
Authorised Public Accountant (KHT)

INVESTOR RELATIONS

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 position to ensure that capital market participants can form a balanced view of Ramirent as an investment. Ramirent Investor Relations is responsible for investor communications, and all investor requests are processed centrally through Ramirent's Investor Relations. In addition to publishing financial reports, financial statements and interim reports, Ramirent's investor communications involve investor meetings and seminars. Investor Relations also arranges Capital Markets Days.

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.

SILENT PERIOD

Ramirent observes a silent period of 30 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. Ramirent does not comment or take any responsibility for estimates or forecasts published by analysts or other capital market representatives.

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 companies are included in the peer group: Cramo (FI), Loxam (FR), Kiloutou (FR) Speedy Hire (UK), HSS Hire (UK), United Rentals (US), H&E Equipment Services (US) and Ashtead group (US/UK).

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INFORMATION FOR SHAREHOLDERS

ANNUAL GENERAL MEETING

Ramirent Plc's Annual General Meeting will be held on Thursday March 16, 2017 at 10:00 a.m. at Finlandia Hall, Helsinki Hall meeting room, at the address of Mannerheimintie 13 e, Helsinki, Finland.

A shareholder, who wants to participate in the Annual General Meeting, shall register for the meeting no later than March 13, 2017 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 2017 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 December 31, 2016. 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. The dividend is proposed to be paid in two equal installments of EUR 0.20 per share, the first with record date March 20, 2017 and the second with record date September 18, 2017. If the Meeting decides as proposed, the first installment is expected to be paid on April 4, 2017 for shareholders whose shares are registered in Euroclear Finland Ltd and on April 5, 2017 for shareholders whose shares are registered in Euroclear AB. The second installment is excepted to be paid on October 3, 2017 and respectively, on October 4, 2017.

RAMIRENT PLC'S FINANCIAL REPORTING IN 2017

Interim report January–March 2017
May 9, 2017 at EET 9:00 a.m.

Half Year Financial Report 2017
August 2, 2017 at EET 9:00 a.m.

Interim report January–September 2017
Nov 8, 2017 at EET 9:00 a.m.

Before the AGM 2017, Ramirent will publish a separate Sustainability Report on the year 2016.

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 the all webcasts are available at the same address.

PUBLICATION OF FINANCIAL INFORMATION

Ramirent's financial statements, interim reports, sustainability reports 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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Bloomberg: RMR1V:FH
ISIN code: FI0009007066

PRIMARY INDEXES

NASDAQ HELSINKI
NASDAQ Helsinki Mid Cap
NASDAQ Nordic Industrial Goods and Services

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.


RAMIRENT

More than machines®

RAMIRENT

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