

The renewal of the Cramo Rental Concept with supporting tools for training and follow-up was finalised in 2011, and roll-out to all operating countries began.

Cramo Rental Concept is a common business model for the Group which defines products, solutions, services, customer segments and operating model. By developing a proactive sales-oriented customer approach with common resources and routines between markets, Cramo creates economies of scale and scope, increasing its market share and operational efficiency.

TARGETS FOR 2010–2013

- Critical review and redefinition of Cramo Concept
- Roll out the renewed Cramo Concept to all operating countries

ACHIEVED IN 2011

- Cramo Rental Concept renewed in accordance with the Group strategy
- Group-wide concept training with sales and training material developed
- Follow-up system with scorecard for prioritising and monitoring progress defined
- Implementation of the new Cramo Rental Concept started in all operating countries

PRIORITIES FOR 2012–2013

- Implementation of Cramo Rental Concept continues in all operating countries, including training of personnel to ensure common understanding
- Continuous further development of new offerings to Cramo Concept



Renew Cramo Concept



OUR CUSTOMERS

Cramo acts as a total rental solution provider to the construction industry – both building and civil engineering. A wide range of products is also offered to customers in other industries, the public sector and private customers.

RENEWAL

- Uniform customer segmentation model divided into value and business segments
- Identification of Group key accounts
- IT tool requirements for customer segmentation

SOLUTIONS AND SERVICES

Cramo specialises in equipment rental services and the rental and sale of modular space. Its equipment rental services comprise construction machinery and equipment rentals and rental-related services. These rental-related services include construction site and installation services.

RENEWAL

- Common Group services, solutions, rental options and customer support elements defined

TRAINING FOR THE RENEWED CRAMO RENTAL CONCEPT STARTED

At the end of November, all Cramo employees and agents in Lithuania, Latvia and Kaliningrad got familiar with the different parts of the Renewed Cramo Rental Concept in three intensive one-day training sessions.

– The training was very useful in order to get a common view and understanding of the renewed Rental Concept – where to go, how to grow and what services to offer. It shows how we can provide our customers further value through new services, solutions and training, while we have opportunities to develop ourselves and have input in the development of the

company, says **Mrs Liene Pakalne**, Depot Manager in Riga.

– The training succeeded well as our local managers took care of it in pairs. It was good to see that we had lively discussions not only on how to bring further value to our customers by harmonising our way to work, but also how to do profitable business in the long run, says **Mr Richard Batarags**, Head of Sales in Latvia and Lithuania, and one of the fourteen trainers.

– All our trainers will now promote the new concept daily at work, and they are also responsible for a certain step in the



further implementation. For instance, I'm looking at how the Cramo Flexi will be introduced into the markets here. We will have an e-learning training in local languages in spring 2012 to ensure deeper understanding of the concept.

RENTAL BENEFITS

Cramo is a leader in delivering and demonstrating customer value.

RENEWAL

- Uniform pricing system for products and services
- Pricing tool for product pricing and profitability

DEPOT NETWORK

Cramo has a distribution network that meets different customer demands for service and equipment availability. With its wide network of interconnected depots, Cramo combines the strengths of a local company with the resources of an international company. The key to success is excellent teamwork through efficient logistics.

RENEWAL

- Best practice for the depot network structure including hubs
- Differentiation between different types of depots and equipment availability strengthened

OUR PRODUCTS

Cramo provides total rental solutions from start to finish. The rental fleet is divided into four product areas: tools, construction equipment, access equipment and modular space. Cramo offers a full range of machinery and equipment needed in the construction industry. For other customer segments, a full range may be obtained by complementing the range of products that Cramo offers with the offerings of selected strategic partners.

RENEWAL

- Detailed lists of products suitable for centralised hubs and different depots
- Guideline for optimal product mix for all operating countries
- Guideline for introducing new products into markets
- Product assessment model to introduce new products

ONE STRONG BRAND

Cramo has one common way to act and look, one brand, for every stakeholder group in every market, and works systematically to develop further the strength of the Cramo brand.

RENEWAL

- Validation of the adherence to existing identity and communication guidelines and policies
- Clarification and updates

INNOVATION

To meet the challenges set by rapidly changing rental markets, Cramo has a structured way of working with continuous development.

RENEWAL

- Proposal for a harmonised innovation process on the operating country level
- 15 ways to create a sustainable culture of innovation

Development and implementation of uniform rental platform and harmonised key processes proceeded well in 2011, and will continue in 2012.

Cramo creates operational excellence and the possibility to achieve cost leadership through a harmonised rental platform and harmonised business processes. The business processes covered are: basic equipment rental operations, fleet management, modular rental operations, finance processes, offering and product development, depot start-ups, training and quality assurance, sustainability as well as marketing, branding and communications.

TARGETS FOR 2010–2013

Implement unified Cramo Processes throughout the Group:

- Roll out a consistent rental platform and harmonised key business processes
- Develop uniform quality, safety and environmental processes and standards (QSE)
- Roll out unified tools for business control and fleet management

- A new reporting system for steering depot operations implemented in all countries
- Implementation of quality, safety and environmental activities – identified in the QSE Action list in 2010, initiated

PRIORITIES FOR 2012–2013

- Implement the harmonised rental platform (business processes and ERP system) in all Nordic markets and Central Europe
- Initiate development of a new Speed Rental concept for enhancing customer's rental process
- Continue implementation of quality, safety and environmental activities in all Cramo countries
- Roll out of ISO certification outside the Nordic countries
- Extend certification from environmental (ISO 14001) quality management (ISO 9001) to work environmental and safety certification (QHSAS 18001)

ACHIEVED IN 2011

- The new rental platform implemented in Finland – the enterprise resource planning system (ERP) was first launched in Sweden in 2010
- Further development of the rental platform – for example, long-term rental business processes functionality within modular space (to be launched in February 2012)
- Further development and fine-tuning of tools within business control, pricing and fleet management – major improvements in Cramo Business Intelligence toolbox

Implement Cramo Processes



UNIFORM RENTAL PLATFORM BRINGS BETTER ACCESSIBILITY

– With the new rental platform we have got more efficient tools for fleet management resulting in increased versatility and customer friendliness. We can provide our customers with quicker information on the available fleet, and have more time for customer service as manual work decreases, says **Mr Sami Tarhi**, Depot Manager at Cramo Finland, speaking about consistent rental platform (ERP) implementation in Finland in 2011.

– The implementation of the ERP has been a success, says **Mrs Petra Munnukka**, Project Manager, responsible for implementation in Finland.

– Our employees have been strongly committed to deploying the new ERP, and our trainers have ensured that there is enough knowledge to use the system at depots. Working with Sweden and Cramo IT continues, and rental business processes functionality within modular space will be added to the system by spring 2012.

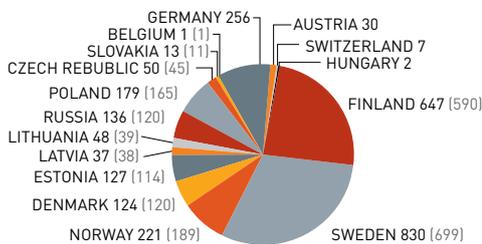
– The common rental platform requires harmonised processes and uniform ways of working in fleet management. Transparency in the fleet is reflected in better accessibility and quality of equipment. At the same time, we can



offer more alternatives for invoicing and improved reporting. Our fleet efficiency will be increased through fleet transfers and increased optimisation, adds **Mr Tatu Hauho**, Senior Vice President and Managing Director of Cramo Finland.

Core concepts and models with supporting tools and templates were finalised in all focus areas, and their implementation in the operating countries was initiated.

EMPLOYEES BY COUNTRY 31 DECEMBER 2011 (2010)



KEY FIGURES

	2011	2010	Change, %
Average number of employees (FTE)	2,580	2,083	23.9
Number of employees at end of period (FTE)	2,707	2,131	27.0
Total number of employees	2,809	2,205	27.4
permanently employed	2,630	2,080	26.4
temporarily employed	179	125	43.2
women	381	270	41.1
men	2,428	1,935	25.5
Personnel Expenses /Employee (1,000 EUR)	52.6	48.9	7.5
Personnel Expenses /Sales, %	20.0	20.7	-3.6

Cramo aims to have the best people in the market with an entrepreneurial service attitude. The unique Cramo spirit should be second to none.

TARGETS FOR 2010–2013

- Develop Cramo People to be passionate rental business champions
- Roll out new models for training and inter-company job rotation as well as best practice sharing
- Improve employee satisfaction and employee productivity
- Strengthen Cramo's corporate culture and the Cramo spirit

ACHIEVED IN 2011

- Cramopol, a tool for communicating strategy and values, rolled-out in nine operating countries
- A new employee development framework defined including description of competences and skills as well as core training and development offering at the Group and operating country level
- The Cramo Academy, a leadership training programme supporting development and implementation of the Group strategy, carried out second

time with some 30 managers and key employees

- The Cramo Assignment policy and the repatriation process defined, their implementation initiated
- The Cramo Dialogue model with supporting tools and templates finalised
- Cramo Performance management model for systematic target setting and follow-up defined

PRIORITIES FOR 2012–2013

- Continue to roll out the new models with focus on the employee development framework, intercompany job rotation, best practise sharing and performance management
- Carry out an uniform employee survey in every country
- Further develop and use Cramopol in international communication

SHARED VALUES AND WAY OF WORKING THROUGH CRAMOPOL

– The communication throughout the organisation is much better now. We asked our employees to speak up, and it's great to realise that they do so! Our service people have brought up many interesting initiatives on how to develop our operations. Our people recognised that everybody counts. These are just a few comments from Polish depot managers on the benefits of Cramopol in 2011.

– Cramopol was an excellent occasion to get familiar with employees from other depots, to learn from others and share knowledge. In addition, one of the lessons learnt was that it is fine to be different, as long as you are at one about the main

operating principles, says **Mrs Magda Michniewska**, Marketing Manager at Cramo Poland, responsible for Cramopol in the country.

– Cramopol is clearly the best imaginable way to communicate the values and the vital points of strategy, creating a space where a direct contact between the top management and the rest of the employees is very natural. It provides better understanding of the direction in which we are heading as a company and what tools we have to achieve our goals. The game will be used to on-board new employees in the future. It will also be useful to create new situations and new



knowledge questions, as the organisation changes and develops, notes **Mr Bernard Michalczewski**, Country Manager at Cramo Poland.

Be “Best in town”, win next markets



In 2011, Cramo’s geographical presence was enlarged to cover all the prioritised markets, and the focus was shifted to being “Best in town”. Implementation of the “Best in town” strategy got well underway.

Cramo strives to be the best in each “town” of operation. This means being the leading rental solutions provider in each homogeneous local market that is each city, district or region. As a result of continuous evaluation of depot performance, decisions will be made for expansion and development, changes in mode of operations, or closures.

TARGETS FOR 2010–2013

- Roll out the “Best in town” strategy
- Develop a uniform integration model
- Drive growth in Russia
- Enter selected new European markets

ACHIEVED IN 2011

- Depot-level action plans started in 2010 finalised and their implementation initiated
- Position as the leading rental solution provider gained and strengthened in several local markets through acquisitions
- A uniform acquisition integration model developed
- Geographical presence expanded into Germany, Austria, Switzerland and Hungary

PRIORITIES FOR 2012–2013

- Implementation of the “Best in town” concept continues
- Strengthening position in existing markets with leading local position



DESIRED GEOGRAPHICAL PRESENCE REACHED, “BEST IN TOWN” STRATEGY IN FULL SPRING

Cramo pursued its win next markets and be “Best in town” strategy vigorously through acquisitions in the first half of 2011. In January, the company acquired one of the top-three providers of equipment rental services in Germany, Theisen Group.

- As a result, our market position was strengthened, and we became the second largest in the European equipment rental market. Also we got presence in all those markets where we currently want to enlarge our operations, in Europe’s third largest equipment rental market Germany,

as well as in Austria, Switzerland and Hungary. Hence, we shifted our focus to strengthening our position further in the existing markets through acquisitions and internal activities, says Cramo Group’s President and CEO, **Mr Vesa Koivula**.

In June, Cramo became the regional leader in the Gothenburg area in Sweden and in the Oslo area in Norway.

- The acquisition of Tidermans, one of the largest regional rental operators in Western Sweden, was an important part of our strategy. We are now a leading player in all metropolitan areas of our home markets, says **Mr Erik Bengtsson**, Senior Vice President and Managing

Director of Cramo Sweden. – This deal is an excellent strategic match, and we have complementing strengths which we can use jointly for the benefit of our customers.

- The acquisition of Stavdal Utleiesenter is in line with Cramo’s ambitions for increased activity and enhanced market share in Norway. With it, we gained the leading position in the Oslo area, and got a better foothold in new customer groups of small and medium-sized companies, says Senior Vice President and Managing Director of Cramo Norway, **Mr Finn Løkken**.

Cramo has strengthened its modular space organisation and application offering in order to drive modular space growth in Norway, Denmark and the Eastern European countries.

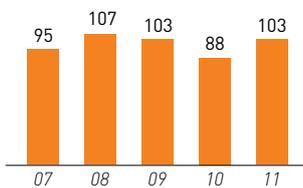
Cramo believes that there is strong underlying growth for modular space applications in the Nordics, and attractive roll-out opportunities to other markets. Modular space business creates stability through long-term agreements and a more balanced customer portfolio due to the importance of the public sector as a key customer. It also differentiates Cramo from its competitors and provides synergies with general rental.

TARGETS FOR 2010–2013

Drive modular space growth specifically in Norway and Denmark and outside the Nordic countries:

- Grow faster than the market
- Maintain the clear leading position in Finland and Sweden
- Strengthen position in Norway and Denmark
- Seize the opportunity of the less mature Central and Eastern European markets

MODULAR SPACE ORDER BOOK MEUR



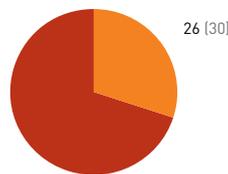
ACHIEVED IN 2011

- Cross-border support teams were established for marketing and sales, repair, maintenance and assembly of non-construction applications
- Standardised product offering completed. Two high-quality energy-efficient modules for school, day-care and office applications launched: one that meets the highest requirements and another which is easily transferable between countries
- A new concept, Optimised space, was developed to create a uniform base for sales and marketing of Cramo's modular space applications in all markets
- Construction of a hub structure for Norway and Denmark completed
- On-going participation in industry organisations and co-operation with decision makers at local level

PRIORITIES FOR 2012–2013

- Enhance the rental of new products as well as understanding of the harmonised sales and customer service concept
- Strengthen the network of support people and knowledge transfer to assist new countries
- Develop a modular space strategy for Germany
- Drive modular space growth in Norway, Denmark and Eastern European countries

SALES OF MODULAR SPACE 2011 (2010)
% OF GROUP SALES



Drive Modular Space Growth



In October 2011, some forty children entered new spacious day care premises based on Cramo's non-construction modular application in Babite municipality in Latvia.

NON-CONSTRUCTION MODULAR SPACE APPLICATIONS GAIN POPULARITY

– With the decreasing birth rate, the number of children in the Babite municipality is decreasing, and thus there is no need for a new day care building in the long-run. Setting up a modular building is considerably cheaper; around 13% of the costs of the construction of a new one. Hence, Cramo's modular space rental for a fixed period was found to be the best solution. It is a comfortable and functional building with spacious rooms for children, says **Mr Andrejs Ence**, Chairman of Babite Municipality Council in Latvia.

– As a result of a public tender, we got our third reference on non-construction

modules in the Baltics. Smooth co-operation with our Norwegian colleagues providing the modules and with our local assembly partner making adjustments needed to meet the requirements resulted in delivery within three months from the order, says **Mr Janis Freimanis**, Head of Sales at Cramo Latvia.

– This case clearly demonstrates that our strategy of driving modular space growth works in the markets where modular space solutions for schools, day cares and offices are still relatively unknown, adds **Mr Ossi Alastalo**, Senior Vice President, Modular Space at Cramo.