

# OPERATIONAL EXCELLENCE BRINGS RESULTS

The strategy Cramo has chosen, with a rigorous focus on operational excellence combined with efficiency measures, resulted in increased profitability and strong cash flow in a difficult market environment. Cramo has a solid foundation for strengthening its competitiveness in the future.

*Your strategic theme is operational excellence. How have you succeeded in delivering on it?*

Within the last few years, we have indeed placed a strong focus on operational efficiency. We have continued to implement our strategy, that is, roll out a uniform business model and efficient processes. I am happy to report that this has proceeded well in all our countries and that our personnel and customers have both welcomed the changes.

This systematic strategy implementation, together with cost savings and the efficiency measures carried out earlier, has clearly improved our profitability and operational efficiency. Meanwhile, our agility has further increased.

Increased operational excellence is also reflected in further enhanced customer service and in easier access to a wider range of products and services with higher reliability of equipment delivery and functionality. At the same time, our capability to keep our customers ahead of the changing competition has continuously improved. We have got closer to our customers; we understand them and their needs today better than before. Our commitment to continuous improvements ensures that our work with operational excellence will go on.

We have also continued rolling out Cramo Care, our framework for coordinating and monitoring the Group's sustainability work, a framework founded on UN Global Compact principles. We

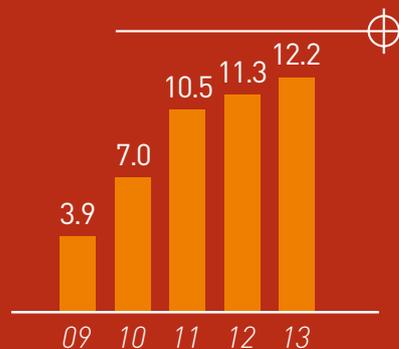
have put great emphasis on safety issues with our own staff as well as with our customers to contribute to greater occupational safety. As a result of continuous improvements in processes and management systems, our Finnish operations were granted an OHSAS 18001 certificate. Our sustainability report, which will be published in March, provides more information on our sustainability work.

*You promise your customers a great day at work. What does that mean in practice?*

We fully acknowledge that our reason for existence is that we contribute to the well-being of our customers and that we add value by adding our values to



## Focus on profitability and stable profit distribution



Improvement in profitability continued in 2013. Successfully implemented cost savings and operational development in line with the company strategy improved the company's earnings.

EBITA ■ % 2009–2013  
TARGET ⊕ >15% OF SALES

the relationship. We believe a corporate culture that breathes this vision and our values in every respect each day will also make the difference in our performance. Our slogan "For a great day at work" simply means we will do everything we can to contribute to our customers' success by providing professional hassle-free services and by preventing and solving their problems – making their lives easier.

Obviously we do that through continuous improvements in our operations, for instance, by developing our expertise, customer service, product offering and internal processes. But it is also about our attitude – how we bolster this passion to serve, our ever growing desire to get closer to our customers and better understand them and their needs. The more we know about our customers, their priorities and their everyday working situation, the better we can develop our operations. This is best demonstrated by new rental services such as those for heating and site electricity developed together with our customers for their specific needs.

*Economic uncertainty persisted, although the economy grew more stable in 2013. How did that affect your business?*

I am delighted that, despite the challenging market situation, we achieved good results in Finland, Sweden and Eastern Europe, particularly in the Baltic region and Poland. In our modular space

business, demand remained at a high level in all the Nordic countries as well.

In Central Europe, our transition programme has proceeded as planned. We also strengthened our position in Norway in the spring through acquisitions and by concluding a long-term delivery contract with one of the largest construction companies there. The transfer of Russian operations to a joint venture was also completed in March.

Our results demonstrate that our strategy and contingency plans are working, and I believe our competitiveness in the near future as well as in the long term has been strengthened. Our business indicates good continuity over time.

We will keep our cost levels low in order to further increase profitability as markets improve and sales grow. We will specifically emphasise improvements in the countries with unsatisfactory results, but we will also keep a keen eye on all our other markets.

*Tough times continued in 2013. What is your message for your employees?*

We have faced fierce headwinds for quite a long time. However, I believe these winds are now changing, our sails have been properly trimmed, and we know the right wind angle to sail rapidly. We are ready to sail at high speed once the winds hit our tail.

You have shown tremendous commitment and made a strong

contribution in tough times. Thank you for that. Keep the Cramo spirit up and be prepared for the tailwinds.

*How about your shareholders and investors?*

We are stronger than before. The strategy we have chosen and the on-going actions to improve operational efficiency, profitability and agility are clearly bearing fruit. Our capital structure is stable and our balance sheet is solid. We are one of the leading rental companies in Europe and also one of the oldest and most experienced, celebrating our 60th anniversary this year, with a good presence in all the markets we want to be in. We are trim and agile and, I trust, ready for a positive swing in the markets.

However, we still have tremendous potential for improvement. There are markets where we can increase our market share. There will always be room for improvement in operational excellence.

Thank you for your loyalty and trust in us. We will continue our work to generate more stable profits for you.

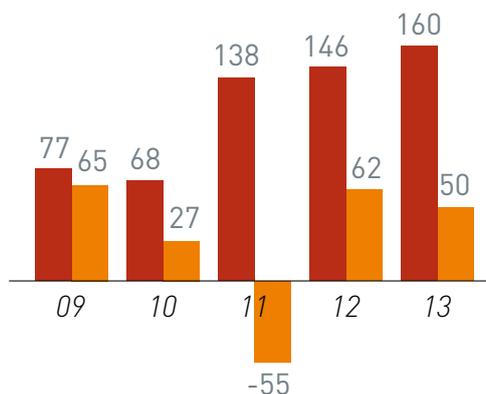
Sincerely,



Vesa Koivula  
President and CEO

Cash flow from operations improved significantly year-on-year. Investment cash flow includes acquisitions of EUR 25.9 million carried out in the first quarter of 2013.

CASH FLOW FROM OPERATIONS ■ MEUR  
AND AFTER INVESTMENTS ■ MEUR



How we deliver on our promise through sustainability

# HELPING TO MEET YOUR SUSTAINABILITY TARGETS

By meeting increasing demands for sustainability and promoting fair, mutually rewarding relations, we create value for all our stakeholders as well as sustainable business.

## CRAMO CARE



## TARGETS FOR CRAMO CARE

- Be the leader in responsibility and customer care

## COMPETITIVE ADVANTAGE

We are convinced that highly dedicated employees are the key factor in driving customer satisfaction and sustainable profits, and have thus implemented initiatives to create attractive working conditions.

As a result of long-term work with sustainability issues, we are able to provide our customers a wide range of sustainable services and solutions that help them not only to meet their sustainability targets but also to optimise their working processes and achieve effective results. Our focus is on safety and energy efficiency, but that also includes areas

60  
YEARS STRONG



Launch of the first Smart Energy savings concept to reduce energy consumption at construction sites in 2009.

We believe sustainable competitiveness in the long term is achieved by caring for our employees, being responsive to customer needs, developing sustainable products and services, and taking sustainability into consideration in the conduct of our own operations.

## CRAMO CARE FOR LONG-TERM, SUSTAINABLE PROFITS

Cramo Care is our framework for coordinating and monitoring sustainability work. Our common values – commitment to being a credible business partner, to customer satisfaction and to creativity for leading-edge solutions – constitute the backbone of this work.

Within the frame of the UN Global Compact, which Cramo has taken part in since 2009, together with Cramo Care, launched in 2010, the company has developed Group-level policies. Our Code of Conduct demonstrates our commitment to business ethics and provides concrete



Mr Josef Tuma  
Managing Director  
Mobest  
Czech Republic

– A trusted partner. I know we can call them anytime and they will do everything to fulfil our needs as fast as possible.

As a result of an expanded product offering and increased focus on our customer approach, Cramo is able to meet the growing and varied demands

of customers while delivering more flexibility and effectiveness in the Czech Republic.



such as occupational health. To be able to develop market-leading sustainability services, we have a structured dialogue and close cooperation with our most demanding and progressive key customers.

We contribute to sustainable development in society by conducting our own operations with consideration to sustainability. Since we want to develop the market, we also take an active part in developing sustainability in the European rental industry. We are creating a competitive advantage from sustainability.

### ACHIEVEMENTS IN 2013

- Step-wise implementation and adaptation of Cramo Care, such as a Group-level system for misconduct reporting
- Compliance with the UN Global Compact included in supplier chain management
- A set of Group-level sustainability indicators and KPIs implemented
- First Global Reporting Initiative (GRI)-based, Group-level sustainability report

### PRIORITIES FOR 2014

- Further roll-out of Cramo Care
- Fuller compliance with GRI-based indicators and KPIs
- More complete Group-wide GRI report
- Improved emissions reporting

guidelines for how we do business. Implementation of our sustainability work is decentralised and adapted to the local business environment.

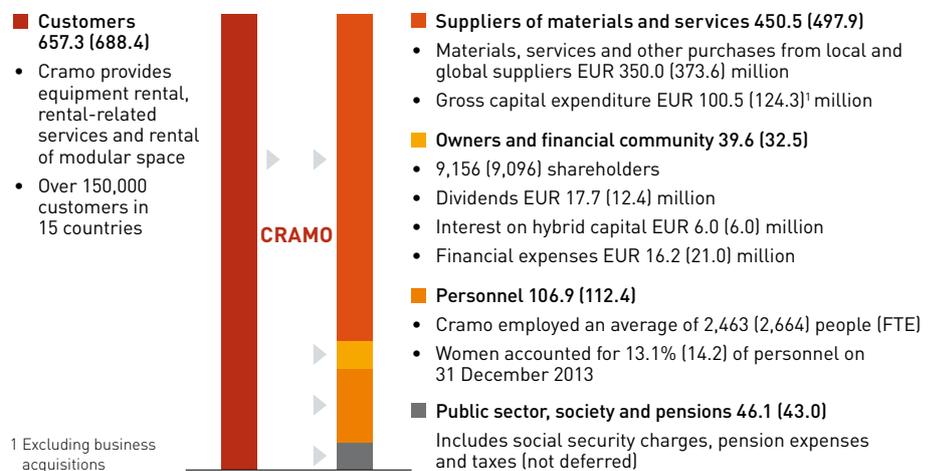
### SUPPORTING COMMUNITIES

Our local-level commitments include support for local charity organisations, schools and sports clubs. Since 2008 we have been a main sponsor of SOS Children's Villages at the Group-level. Starting in 2014, we are focused on supporting SOS Children's Villages in the Baltics and helping local SOS organisations to improve their fundraising capabilities.



Mr Jyrki Ekonoja  
Managing Director  
Ekonrak Oy  
Finland

### CRAMO'S ECONOMIC IMPACTS IN 2013 MEUR



– Cramo Friend has resulted in increased availability and faster deliveries for access equipment, which is extremely important for us as a renovation company.

An initiative from a Rental Manager led to the launch of our newest loyalty programme, Cramo Friend, for small and medium-sized customers in Finland. The

programme, based on an initial deposit, provides members a "sense of belonging", greater discounts and additional VIP features for smaller customers as well.

How we take care of **quality, safety and environment**

# IMPROVED ENVIRONMENTAL PERFORMANCE AND SAFETY

Our commitment on quality, safety and environment enables our customers to improve their working environment, environmental performance and efficiency.



## HIGH QUALITY, SAFE WORKPLACE

Our environmental and quality management systems together with our Group-level QSE Roadmap, launched in 2010 and updated in 2012, ensure that we meet high environmental and quality assurance standards and provide a safe, attractive workplace. Local depots are responsible for operative environmental management and activities.

## SAFE, ENERGY-EFFICIENT SOLUTIONS

Our commitment to the environment, combined with our solid competence in developing safe solutions, has resulted in energy-efficient, cost-effective customer solutions with market-leading environmental performance.

Our rigorous supplier selection system is reflected in modern equipment that meets high quality and safety standards and has a minimum environmental load. Professional advice, explicit instructions and training for equipment maintenance

**60**  
YEARS STRONG

Modular space operations in Sweden were certified as the first unit of the Group according to ISO 9001 in 1998.

In every aspect of our operations, there is a focus on safety, high quality and responsible environmental stewardship. We work continuously to improve the safety and environmental performance of our operations and customer solutions, throughout the product life-cycle.

## 50% REDUCTION IN ENERGY CONSUMPTION

Røren School and the SFO<sup>1</sup>, with more than 100 pupils in Hokksund, had an urgent need for new premises with neither the money nor time to build a new permanent building. A temporary school was built within a few weeks using energy-efficient modules that enable a 50% reduction in energy consumption without sacrificing comfort or compromising on standards set for permanent buildings.



All Cramo operations in Finland and Sweden have been certified in quality, environment and occupational health and safety. Operations in Denmark and Norway are certified in quality and environment.



**Ms Anne-Lise Holth**  
Principal, Røren School  
Hokksund, Norway

– The people who work here love the new building. It is nice to look at and very comfortable to work in. Our neighbours also really liked the design.

<sup>1</sup> SFO is a voluntary childcare programme provided by municipalities in the fourth grade of primary school in Norway



and safety, together with continuous improvements in processes and quality management systems, contribute to better service, fewer errors, higher productivity and greater occupational safety.

By implementing step-wise improvements such as systematic energy-savings measures in our premises, increasing the use of renewable energy for heating and electricity, having safety systems in place for handling the waste from operations and striving to recycle extensively, we reduce the environmental impact of all our operations.

### ACHIEVEMENTS IN 2013

- Step-wise implementation and adaptation of our Quality, Safety and Environment (QSE) Roadmap, such as OHSAS 18001 certification in safety for Cramo Finland and energy certificates for two modular space projects in Latvia
- First report to the Climate Change Carbon Disclosure project

### PRIORITIES FOR 2014

- Continue QSE Roadmap roll-out
- Initiate work for ISO certification in Latvia and Lithuania



### THE SUN AS AN ENERGY SOURCE

Our commitment to energy-efficient customer solutions led to a collaboration with Light Energy to develop site huts using solar panels as the energy source in 2013. After a pilot project, the solutions for passive site huts will be launched in 2014–2015.

Helping to reduce energy consumption at construction sites is one of our focus areas.

**Mr Håkan Sönnergren**  
Product Manager  
Cramo AB  
Sweden

- We rely on having people around us who we trust 100%. With Cramo we did not need to worry. They took care of everything fast and very professionally.

**Mr Lars Sandek**  
Project Controller/Supervisor  
AF Group  
Norway



### HELP TO MEET THE HIGHEST STANDARDS

The biggest school project in Norway, the construction site of the new Risløkka competence centre for vocational training in Oslo, suffered damage as a result of a water pipe leak. By taking care of drying damp walls and purifying air as well as heating the site and submitting documentation for services in building moisture and purity before closing the walls, Cramo helped to meet the high standards set for the construction's indoor environment. At the same time, the energy used for heating and drying was environmentally friendly since applied energy, district heating and LPG were used as energy sources.

a GREAT DAY AT WORK means

# WE HELP YOU IMPROVE YOUR QSE PERFORMANCE

We are at the forefront when it comes to quality, safety and environment (QSE). Safety takes top priority in our relations. We work intensively to improve the working environment to help prevent injuries and reduce accidental deaths at our own and at our customer's worksites. We also work to improve the environmental performance of our operations and customer solutions throughout the product life-cycle.

## CRAMO SAFETY

Our occupational health and safety services include fall protection systems; protective guardrails, safety nets and personal protective safety equipment that protect your workers against falling accidents.

## ENERGY-EFFICIENT LIGHTING

With our LED lighting system, you can reduce electricity consumption on your construction site. At the same time, it reduces the need to replace light bulbs. With lighting installed at the main emergency exits, it is also safe to exit from the construction site during a power failure.

## PROTECTION AGAINST VIBRATION AND NOISE INJURIES

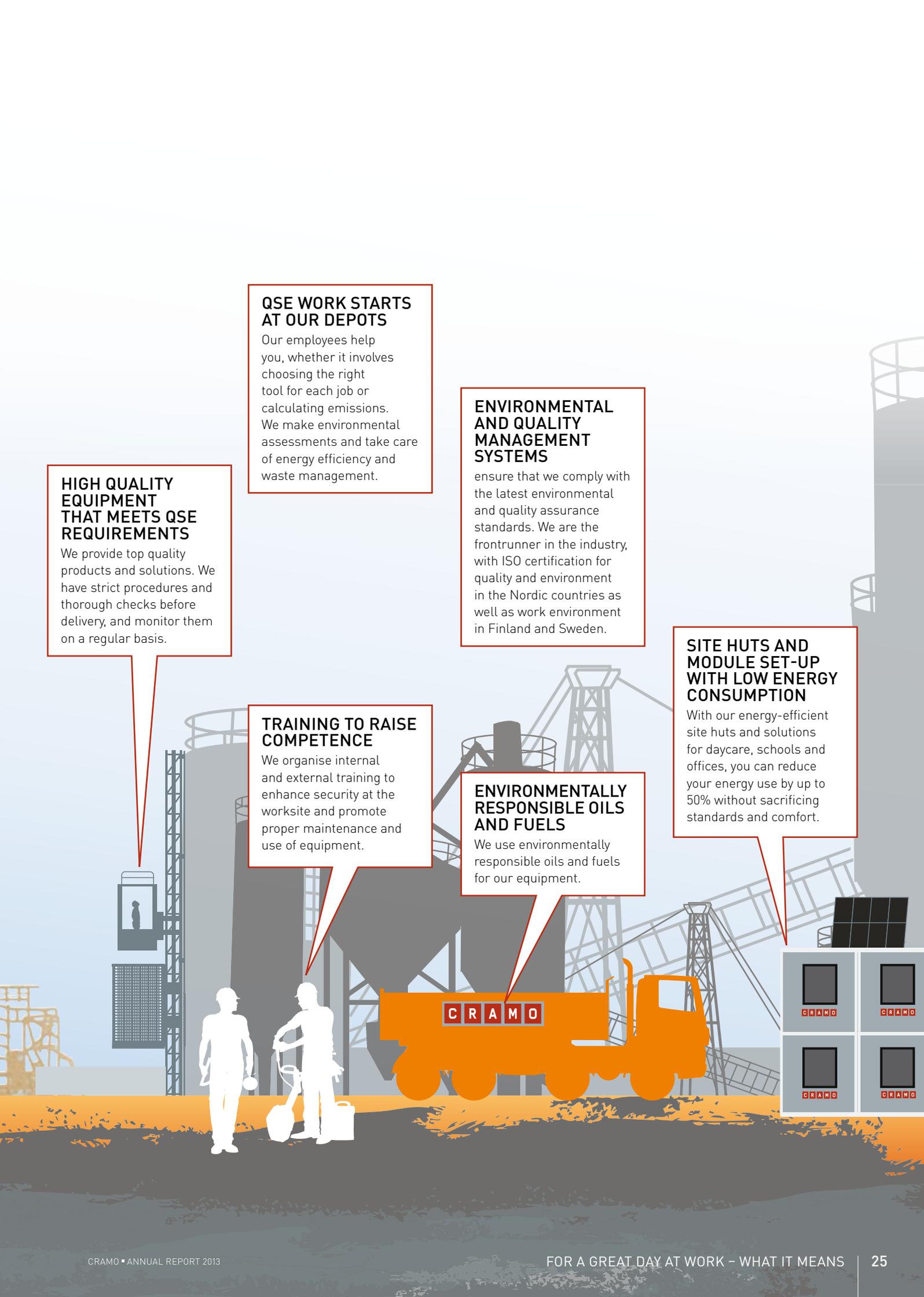
We invest in the latest technology and provide equipment with good ergonomics and as low a sound level as possible.

## PRODUCTS FOR ENVIRONMENTALLY SAFE HANDLING

We provide equipment for the safe handling of chemical products. During a project, we can also provide help with waste management.

## CRAMO CONTROL

Our solution for security and access control for construction sites ensures control of who enters the worksite.



### HIGH QUALITY EQUIPMENT THAT MEETS QSE REQUIREMENTS

We provide top quality products and solutions. We have strict procedures and thorough checks before delivery, and monitor them on a regular basis.

### QSE WORK STARTS AT OUR DEPOTS

Our employees help you, whether it involves choosing the right tool for each job or calculating emissions. We make environmental assessments and take care of energy efficiency and waste management.

### ENVIRONMENTAL AND QUALITY MANAGEMENT SYSTEMS

ensure that we comply with the latest environmental and quality assurance standards. We are the frontrunner in the industry, with ISO certification for quality and environment in the Nordic countries as well as work environment in Finland and Sweden.

### SITE HUTS AND MODULE SET-UP WITH LOW ENERGY CONSUMPTION

With our energy-efficient site huts and solutions for daycare, schools and offices, you can reduce your energy use by up to 50% without sacrificing standards and comfort.

### TRAINING TO RAISE COMPETENCE

We organise internal and external training to enhance security at the worksite and promote proper maintenance and use of equipment.

### ENVIRONMENTALLY RESPONSIBLE OILS AND FUELS

We use environmentally responsible oils and fuels for our equipment.

CRAMO

How we delivered on our promise **operationally in 2013**

# CREATING PASSIONATE RENTAL BUSINESS CHAMPIONS

We are well on our way in developing passionate rental champions who understand our customers' needs, sometimes even better than they do, and who have the competence required and a genuine desire to help.

## Develop Cramo People



### TARGETS FOR MUST-WIN BATTLE

- Develop Cramo People to be passionate rental business champions

### STRENGTHENED PERFORMANCE-DRIVEN CULTURE

By successfully carrying out its corporate game, Cramopol, the company has been able to communicate its strategy and values to all employees. At the same time, the game has generated a lot of suggestions for improvements. With Cramo Dialogue, a model for annual performance reviews, the company helps its employees to achieve their highest potential while Cramo People Survey gives feedback on employee satisfaction.

60  
YEARS STRONG



The first version of Cramo School was organised in 1995. Today both internal and external training are organised under this framework.

By offering attractive workplaces with good opportunities for competence development and rewards for contributing to our values and goals, we increase employee commitment and loyalty.

### WE ARE A TEAM

As part of its transformation from a family-owned company into a unified part of a pan-European business, Theisen has developed its organisation to be more sales-oriented and focused on leadership. At the same time, the creation of teamwork and a customer-oriented culture with higher employee participation has proceeded well.

– Strengthening our sales activities brings us closer to our customers and thus enables us to take better care of their needs. Our new reporting model ensures that we all get the same information. Decisions are clear and transparent.



Mr Joachim Drexler  
Operational Support Administrator  
Theisen Baumaschinen AG  
Germany



Through Cramo Development, a common framework for employee on-boarding, training and skills development, Cramo ensures professionalism and efficiency at all levels of the Group while encouraging the professional and personal development of all employees throughout their career at Cramo. By strengthening its value-based performance-driven culture, the company drives high-level customer satisfaction and long-term sustainable profits.

### ACHIEVEMENTS IN 2013

- The Cramo Training and Career Development Programme further developed; career planning, on-boarding processes and e-learning platform with first common training module included; implementation almost completed in Finland, Sweden, Lithuania and Latvia
- Implementation of other new HR models completed at the country level
- Second round of the One Cramo Share Plan for employees carried out

### PRIORITIES FOR 2014

- Roll out the Cramo Training and Career Development Programme throughout the Group
- Carry out third round of the One Cramo Share Plan for employees

### TARGET ZERO ACCIDENTS

Our vision is zero accidents, and we work systematically with preventive measures. By training our employees and our customers in the proper, safe use of equipment, we enhance work safety and efficiency. For example, in 2013, 38 employees (11%) and 342 customers took part in such training in Lithuania and Latvia.

### EMPLOYEES BY COUNTRY (FTE) 31 DECEMBER 2013 (2012)



– Becoming acquainted with safety requirements and the proper use of equipment enables us to work faster and smoother without the risk of harming ourselves, our health or safety.



**Mr Mindaugas Sutkus**  
Rental Officer  
Verkių Depot, Vilnius  
Cramo Lithuania

KEY FIGURES	2013	2012	Change, %
Average number of employees (FTE)	2,463	2,664	-7.5
Number of employees at year-end (FTE)	2,416	2,555	-5.4
Total number of employees	2,528	2,637	-4.1
permanently employed	2,427	2,520	-3.7
temporarily employed	71	117	-39.3
women	331	375	-11.7
men	2,197	2,262	-2.9
Personnel expenses/employee (EUR 1,000)	56.3	54.0	4.4
Personnel expenses/sales, %	21.1	20.9	1.1
Sick leave days/FTE	7.1	6.9	3.1

a GREAT DAY AT WORK means

# WE ENSURE COMPETENCE AND A PASSION TO SERVE

We know the difference between doing a job for a paycheck and doing it out of a passion to serve, and would never settle for anything but the latter. In everything we do, we have a genuine desire to help. By taking care of our people, we create Cramo Spirit and an attractive workplace, with dedicated employees who have a passion to serve.

## HEALTH AND SAFETY IS OUR FIRST PRIORITY

Our vision is zero accidents in our workplaces, and we work systematically with preventive measures. We work actively to promote a healthy lifestyle among our employees.



Mr Mindaugas Sutkus, Rental Officer at Cramo Lithuania, talks about safety training.

▶ p 35

## ATTRACTING THE SHARPEST MINDS AND THE BRIGHTEST SPIRITS

We offer attractive, creative workplaces with good opportunities for skills development.

## CRAMO PEOPLE SURVEY

Our Group-level employee survey is carried out in all our operating countries every two years, providing valuable information about our employees' views and about areas for improvement.

## CRAMO DEVELOPMENT

Our common framework for employee on-boarding, training and skills development encourages professional and personal development throughout their career, thus ensuring professionalism and efficiency at all levels.

## THE GUNNAR GLIFBERG AWARD

of EUR 15,000 provides young rental professionals in our Group with an opportunity to take part in an international management training programme.

## CRAMO DIALOGUE

Our structured approach to performance reviews ensures that every employee has an annual review in order to establish personal development plans and targets.

# CRAMO

## OUR COMMUNICATING STRATEGY AND WAY OF WORKING

Our corporate game, Cramopol, provides an engaging way to convey our strategy and values to all our employees. It also builds team spirit and generates plenty of suggestions for improvement.

## REWARDING EMPLOYEES THROUGH THE ONE CRAMO SHARE PLAN

We encourage employees to become shareholders and reward them for contributing to our values and goals through the plan.

## CRAMO SCHOOL AND CRAMO ACADEMY

Our training programmes are closely aligned with our strategy and are based on a 70:20:10 philosophy: 70% learning by doing, 20% learning from others, 10% classroom learning.



Mr Joachim Drexler, Operational Support, Theisen, talks about their customer-focused organisation.

▶ p 34