

PONSSE PLC, STOCK EXCHANGE RELEASE, 14 FEBRUARY 2017, 9:00 a.m.

PONSSE'S FINANCIAL STATEMENTS FOR 1 JANUARY – 31 DECEMBER 2016

- Net sales amounted to EUR 517.4 (Q1-Q4/2015 461.9) million.
- Q4 net sales amounted to EUR 167.5 (Q4/2015 151.7) million.
- Operating result totalled EUR 55.2 (Q1-Q4/2015 56.0) million, equalling 10.7 (12.1) per cent of net sales.
- Q4 operating result totalled EUR 18.2 (Q4/2015 21.8) million, equalling 10.8 (14.4) per cent of net sales.
- Profit before taxes was EUR 58.3 (Q1-Q4/2015 50.4) million.
- Cash flow from business operations was EUR 53.7 (44.0) million.
- Earnings per share were EUR 1.63 (1.48).
- Equity ratio was 50.3 (44.8) per cent.
- Order books stood at EUR 123.9 (158.1) million.
- The Board of Directors' proposal for the distribution of profit is EUR 0.60 (0.55) per share.
- Group's euro-denominated operating profit is expected to be on a par with 2016 in 2017.

PRESIDENT AND CEO JUHO NUMMELA:

The year 2016 was a year of strong growth for Ponsse. During the first half of the year, our business operations developed favourably, but during the second half we did not reach the previous year's excellent level of profitability. We were able to keep our profitability still at a moderately good level of 10.7%, grow about 12%, and reach a positive cash flow from business operations of EUR 53.7 million. Exports made up 76.6% of our operations.

Our order flow remained strong throughout the year, and at the end of 2016, our order books settled at EUR 123.9 million. A record number of forest machines were produced at the Vieremä factory during the period under review.

The outlook is still good for the forest industry, and investments are broadly made in the industry. Of our market areas Russia, Central Europe and Sweden grew strongly. Even the

United States and Uruguay performed well. Russia's situation was good from Ponsse's point of view throughout the year and machine deliveries showed good growth. At the same time the economic situation in the United States remained good, which also had a positive impact on demand for forest machines. The organisational changes made in Ponsse's subsidiary in Sweden have had a significant impact on our situation, and we were able to grow our market share in and improve our services in Sweden. The situation in Central Europe has been good, and most of our markets there have grown.

The growth of sales of new machines was very strong, and also our service business continued to grow at a steady rate. There was positive development also in our used machine sales towards the end of the year. The cumulative net sales rose to a historical level of EUR 517.4 (461.9) million and operating profit amounted to EUR 55.2 (56.0). From the beginning of the year, the growth of the company's net sales was 12.0 per cent and change in the operating profit was -1.5 per cent year-on-year. Operating profit accounted for 10.7 (12.1) per cent of the turnover during the period under review.

Cash flow from business operations amounted to EUR 53.7 (44.0) million in the period under review. The new machine stock was at an almost optimal level at year end, but the size of the used machine stock had a significant impact on the amount of tied-up capital.

The company's balance sheet continued to grow stronger and the positive development of our solidity continued. The company's equity ratio was 50.3 (44.8) per cent.

We develop Ponsse with a long-term focus in order to strengthen the business of our customers. Continuous renewal of our operations and our products is important. We have invested increasingly in both fixed assets and R&D. Since 2010, we have invested roughly EUR 67 million in R&D and approximately EUR 115 million in fixed assets.

We have continued to invest as planned in both our service business network and the operations of the Vieremä factory. During the period under review new facilities were completed in our service network in both the United States and in Russia. In addition, the expansion of the Iisalmi logistics centre servicing our international network was completed. Currently, new PONSSE service centres are being built in Uruguay, France and the UK, which will be completed during the current year. Development is heavily focused on the development of productivity and the quality production ability throughout the manufacturing network. The expansion of the Vieremä factory is progressing as planned and the construction will be completed at the end of 2017. With the investments we enhance our ability to manufacture PONSSE forest machines in Finland and to meet the needs of the market.

NET SALES

Consolidated net sales for the period under review amounted to EUR 517.4 (461.9) million, which is 12.0 per cent more than in the comparison period. International business operations accounted for 76.6 (76.9) per cent of net sales.

Net sales were regionally distributed as follows: Northern Europe 39.3 (37.3) per cent, Central and Southern Europe 20.3 (18.6) per cent, Russia and Asia 14.7 (12.3) per cent, North and South America 24.6 (31.5) per cent and other countries 1.1 (0.4) per cent.

PROFIT PERFORMANCE

The operating result amounted to EUR 55.2 (56.0) million. The operating result equalled 10.7 (12.1) per cent of net sales for the period under review. Consolidated return on capital employed (ROCE) stood at 30.7 (32.8) per cent.

Staff costs for the period totalled EUR 73.9 (67.6) million. Other operating expenses stood at EUR 44.7 (40.3) million. The net total of financial income and expenses amounted to EUR 3.1 (-5.6) million. Exchange rate gains and losses with a net effect of EUR 3.9 (-4.0) million were recognised under financial items for the period. Result for the period under review totalled EUR 45.7 (41.3) million. Diluted and undiluted earnings per share (EPS) came to EUR 1.63 (1.48).

STATEMENT OF FINANCIAL POSITION AND FINANCING ACTIVITIES

At the end of the period under review, the total consolidated statements of financial position amounted to EUR 301.6 (267.7) million. Inventories stood at EUR 118.3 (104.6) million. Trade receivables totalled EUR 35.9 (40.2) million, while liquid assets stood at EUR 37.3 (26.5) million. Group shareholders' equity stood at EUR 149.8 (117.9) million and parent company shareholders' equity (FAS) at EUR 138.4 (113.6) million. The amount of interest-bearing liabilities was EUR 60.1 (62.4) million. The company has used 15 per cent of its credit facility limit. The parent company's net receivables from other Group companies stood at EUR 80.4 (60.9) million. The parent company's receivables from subsidiaries mainly consisted of trade receivables. Consolidated net liabilities totalled EUR 22.6 (35.9) million, and the debt-equity ratio (net gearing) was 15.1 (30.5) per cent. The equity ratio stood at 50.3 (44.8) percent at the end of the period under review.

Cash flow from operating activities amounted to EUR 53.7 (44.0) million. Cash flow from investment activities came to EUR -28.1 (-24.2) million.

ORDER INTAKE AND ORDER BOOKS

Order intake for the period totalled EUR 493.8 (469.4) million, while period-end order books were valued at EUR 123.9 (158.1) million.

DISTRIBUTION NETWORK

No changes took place in the Group structure during the period under review.

The subsidiaries included in the Ponsse Group are Ponsse AB, Sweden; Ponsse AS, Norway; Ponsse S.A.S., France; Ponsse UK Ltd, the United Kingdom; Ponsse North America, Inc., the United States; Ponsse Latin America Ltda, Brazil; Ponsse Uruguay S.A., Uruguay; OOO Ponsse, Russia; Ponsse Asia-Pacific Ltd, Hong Kong; Ponsse China Ltd, China and Epec Oy, Finland. The Group includes also the property company OOO Ocean Safety Center, Russia. Sunit Oy, Finland, is an associate in which Ponsse Plc has a holding of 34 per cent.

R&D AND CAPITAL EXPENDITURE

Group's R&D expenses during the period under review totalled EUR 12.4 (12.1) million, of which EUR 4.0 (3.9) million was capitalised.

Capital expenditure totalled EUR 28.3 (24.4) million. It consisted in addition to capitalised R&D expenses of investments in buildings and ordinary maintenance and replacement investments for machinery and equipment.

ANNUAL GENERAL MEETING

Annual General Meeting was held in Vieremä, Finland 12 April 2016. The AGM approved the parent company financial statements and the consolidated financial statements, and members of the Board of Directors and the President and CEO were discharged from liability for the 2015 financial period.

The AGM decided to pay a dividend of EUR 0.55 per share for 2015 (dividends totaling EUR 15,381,799). No dividend will be paid to shares owned by the company itself (33,092 shares). The dividend payment record date was 14 April 2016, and the dividends were paid on 21 April 2016.

Annual General Meeting authorised the Board of Directors to decide on the acquisition of treasury shares so that shares can be acquired in one or several instalments to a maximum of 250,000 shares. The maximum amount corresponds to approximately 0.89 per cent of the company's total shares and votes.

The shares will be acquired in public trading organised by NASDAQ OMX Helsinki Ltd ("the Stock Exchange"). Furthermore, they will be acquired and paid according to the rules of the Stock Exchange and Euroclear Finland Ltd.

The Board may, pursuant to the authorisation, only decide upon the acquisition of the treasury shares using the company's unrestricted shareholders' equity.

The authorisation is proposed for use in supporting the Company's growth strategy in the Company's potential corporate acquisitions or other arrangements. In addition, the shares can

be issued to the Company's current shareholders, used for increasing shareholders' ownership value by invalidating shares after their acquisition or used in personnel incentive systems. The authorisation includes the right of the Board to decide upon all other terms and conditions of the share issue.

The authorisation is valid until the next Annual General Meeting; however, no later than 30 June 2017. The previous authorisations are cancelled.

The AGM authorised the Board of Directors to decide on the assignment of treasury shares held by the company against payment or free of charge so that a maximum of 250,000 shares will be issued on the basis of the authorisation. The maximum amount corresponds to approximately 0.89 per cent of the company's total shares and votes.

The authorisation includes the right of the Board to decide upon all other terms and conditions of the share issue. Thus, the authorisation includes a right to organise a directed issue in deviation of the shareholders' subscription rights under the provisions prescribed by law.

The authorisation is proposed for use in supporting the Company's growth strategy in the Company's potential corporate acquisitions or other arrangements. In addition, the shares can be issued to the Company's current shareholders, sold through public trading or used in personnel incentive systems.

The authorisation is valid until the next Annual General Meeting; however, no later than 30 June 2017. The previous authorisations are canceled.

BOARD OF DIRECTORS AND THE COMPANY'S AUDITORS

Juha Vidgrén acts as Chairman of the Board and Mammu Kaario as Vice Chairman of the Board. Members of the Board are Matti Kylävainio (from 12 April 2016), Ossi Saksman, Janne Vidgrén and Jukka Vidgrén. In addition, Heikki Hortling acted as Chairman of the Board until 10 April 2016 and Ilkka Kylävainio acted as member of the Board until the Annual General Meeting held on 12 April 2016.

The Board of Directors did not establish any committees or commissions from among its members.

The Board of Directors convened nine times during the period under review. The attendance rate was 92.7 percent.

During the period under review, auditing firm PricewaterhouseCoopers Oy acted as the company auditor with Sami Posti, Authorised Public Accountant, as the principal auditor.

MANAGEMENT

The following persons were members of the Management Team: Juho Nummela, President and CEO, acting as the chairman; Petri Härkönen, CFO; Juha Inberg, Technology and R&D Director; Tapio Mertanen, Service Director; Paula Oksman, HR Director; Tommi Väänänen, Director of Delivery Chain Process and Jarmo Vidgrén, Deputy CEO, Sales and Marketing Director. The company management has regular management liability insurance.

The area director organisation of sales is led by Jarmo Vidgrén, the Group's sales and marketing director, and Tapio Mertanen, service director. Area directors and managing directors of subsidiaries report to Jarmo Vidgrén, Ponsse Plc's sales and marketing director.

The geographical distribution and the responsible persons are presented below:

Northern Europe:

Jani Liukkonen (Finland),
Carl-Henrik Hammar (Sweden and Denmark),
Jussi Hentunen (the Baltic countries) and
Sigurd Skotte (Norway),

Central and Southern Europe:

Janne Vidgrén (Austria, Poland, Romania, Germany, Slovakia, the Czech Republic and Hungary),
Clément Puybaret (France),
Norbert Schalkx (Spain and Portugal) and
Gary Glendinning (the United Kingdom and Ireland)

Russia and Asia:

Jaakko Laurila (Russia and Belarus),
Norbert Schalkx (Japan, Australia and South Africa) and
Risto Kääriäinen (China),

North and South America:

Pekka Ruuskanen (the United States),
Eero Lukkarinen (Canada),
Jussi Hentunen (Chile),
Marko Mattila (Brazil) and
Martin Toledo (Uruguay).

PERSONNEL

The Group had an average staff of 1,435 (1,329) during the period and employed 1,453 (1,373) people at period-end.

SHARE PERFORMANCE

The company's registered share capital consists of 28,000,000 shares. At the end of the period under review the company had 11,037 shareholders. The trading volume of Ponsse Plc shares for 1 January – 31 December 2016 totalled 2,764,765, accounting for 9.9 per cent of the total number of shares. Share turnover amounted to EUR 61.5 million, with the period's lowest and highest share prices amounting to EUR 15.57 and EUR 28.40, respectively.

At the end of the period, shares closed at EUR 23.98, and market capitalisation totalled EUR 671.4 million.

At the end of the period under review, the company held 33,092 treasury shares.

QUALITY AND ENVIRONMENT

Ponsse is committed to observing the ISO 9001 quality standard, the ISO 14001 environmental system standard and the OHSAS 18001 occupational safety and health standard, the first two of which are certified. The aim of the management systems based on international standards is to standardise operations at the Group level and to ensure a continuous development. Lloyd's Register Quality Assurance conducted an audit of the ISO 9001:2015 quality system and the ISO 14001:2015 environmental system during the period under review.

Implementation of the principles of sustainable development and responsible leadership are guided by the management systems based on the company's quality, environmental and occupational safety and health standards. At Ponsse, sustainable development means taking the economic, social and ecological points of view and the principles related to them equally into account in the company's operations. According to the point of view of ecological sustainability we want to avoid and minimise the negative impacts of our products, services, operations and decisions on biodiversity, the ecosystem and sufficiency of natural resources. Our investments in minimising the fuel consumption and emissions of our products and surface damage of trees and in our maintenance services processes also influence the sustainability of the operations of our customers. According to the point of view of social sustainability we ensure occupational well-being and safety and equal treatment and support employment and the development of professional human resources. The point of view of economical sustainability is related to profitability, cash flow from business operations and growth and ensures the company's economic performance in the long term. This brings stability and continuity to the local community and the society in the whole of our global field of operations.

At Ponsse, operating methods and production processes are developed with both internal and external audits. The company's audit system has been a key tool in promoting the development during 2016. During the period under review, internal audits assessing the procedures and working environment of services were extended in the company's service business network. The aim of the quality audits of services is to ensure efficient and safe procedures in the entire PONSSE service network. During the period under review, the assessment model of the leading principles of the subsidiaries, that guides the leading policies of the subsidiaries' strategy, was

developed.

Production processes are continuously developed in accordance with the operating model of continuous improvement. The company's quality assurance system emphasises the importance of prevention. During the period under review, great focus was put on a procedure development model internal to the company, which is based on Lean Six Sigma quality management principles.

GOVERNANCE

In its decision-making and administration, the company observes the Finnish Limited Liability Companies Act, other regulations governing publicly listed companies and the company's Articles of Association. The company's Board of Directors has adopted the Code of Governance that complies with the Finnish Corporate Governance Code approved by the Board of the Securities Market Association in 2015. The purpose of the code is to ensure that the company is professionally managed and that its business principles and practices are of a high ethical and professional standard.

The Code of Governance is available on Ponsse's website in the Investors section.

RISK MANAGEMENT

Risk management is based on the company's values, as well as strategic and financial objectives. Risk management aims to support the achievement of the objectives specified in the company's strategy, as well as to ensure the financial development of the company and the continuity of its business.

Furthermore, risk management aims to identify, assess and monitor business-related risks which may influence the achievement of the company's strategic and financial goals or the continuity of its business. Decisions on the necessary measures to anticipate risks and react to observed risks are made on the basis of this information.

Risk management is a part of regular daily business, and it is also included in the management system. Risk management is controlled by the risk management policy approved by the Board.

A risk is any event that may prevent the company from reaching its objectives or that threatens the continuity of business. On the other hand, a risk may also be a positive event, in which case the risk is treated as an opportunity. Each risk is assessed on the basis of its impact and probability. Methods of risk management include avoiding, mitigating and transferring risks. Risks can also be managed by controlling and minimising their impact.

SHORT-TERM RISK MANAGEMENT

The prolonged insecurity in the world economy and weak economic situation may result in a decline in the demand for forest machines. The uncertainty may be increased by the volatility of developing countries' foreign exchange markets. The geopolitical situation, in particular, will increase the uncertainty through financial market operations and sanctions.

The parent company monitors the changes in the Group's internal and external trade receivables and the associated risk of impairment.

The key objective of the company's financial risk management policy is to manage liquidity, interest and currency risks. The company ensures its liquidity through credit limit facilities agreed with a number of financial institutions. The effect of adverse changes in interest rates is minimised by utilising credit linked to different reference rates and by concluding interest rate swaps. The effects of currency rate fluctuations are mitigated through derivative contracts.

Changes taking place in the fiscal and customs legislation in countries to which Ponsse exports may hamper the company's export trade or its profitability.

EVENTS AFTER THE PERIOD

Company established a subsidiary Ponsse Machines Ireland Ltd in Ireland on 13 January 2017.

OUTLOOK FOR THE FUTURE

The Group's euro-denominated operating profit is expected to be at the same level in 2017 as it was in 2016.

Ponsse's updated and competitive product range and service solutions have had a significant impact on the company's growth. Our investments are directed at development of the service level and capacity of the delivery chain and spare parts logistics and development of service business network both in Finland and abroad.

The expansion of the Vieremä factory is progressing as planned and the construction will be completed at the end of 2017. The investment in the factory is related to the development of safety, productivity, product quality and capacity of the Vieremä factory. The total investment to the factory is approximately EUR 32 million. The new PONSSE service centres in Uruguay, France and the UK will be completed during the current year.

ANNUAL GENERAL MEETING

Ponsse Plc's Annual General Meeting will be held on 11 April 2017, starting at 11:00 a.m. at the company's registered office at Ponssentie 22, FI-74200 Vieremä, Finland.

BOARD OF DIRECTORS' PROPOSAL FOR THE DISPOSAL OF PROFIT

The parent company Ponsse Plc had 113,887,695.83 euros of distributable funds on 31 December 2016.

The company's Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.60 per share shall be paid for the year 2016. The Board proposes to the Annual General Meeting that a profit bonus will be paid to the staff for the year 2016.

PONSSE GROUP

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (EUR 1,000)

	IFRS 1-12/16	IFRS 1-12/15
NET SALES	517,400	461,928
Increase (+)/decrease (-) in inventories of finished goods and work in progress	2,346	-1,021
Other operating income	1,915	2,152
Raw materials and services	-336,008	-289,294
Expenditure on employment-related benefits	-73,879	-67,554
Depreciation and amortisation	-11,905	-9,890
Other operating expenses	-44,711	-40,335
OPERATING RESULT	55,158	55,987
Share of results of associated companies	23	-50
Financial income and expenses	3,074	-5,552
RESULT BEFORE TAXES	58,255	50,385
Income taxes	-12,543	-9,105
NET RESULT FOR THE PERIOD	45,712	41,280
OTHER ITEMS INCLUDED IN TOTAL COMPREHENSIVE RESULT:		
Translation differences related to foreign units	1,554	880
TOTAL COMPREHENSIVE RESULT FOR THE PERIOD	47,266	42,160
Diluted and undiluted earnings per share	1.63	1.48
	IFRS 10-12/16	IFRS 10-12/15
NET SALES	167,545	151,729
Increase (+)/decrease (-) in inventories of finished goods and work in progress	-11,734	-10,492
Other operating income	567	843
Raw materials and services	-101,462	-86,297
Expenditure on employment-related benefits	-21,189	-20,289
Depreciation and amortisation	-3,081	-2,704
Other operating expenses	-12,488	-11,003
OPERATING RESULT	18,157	21,788
Share of results of associated companies	-63	-40
Financial income and expenses	1,680	182
RESULT BEFORE TAXES	19,774	21,929

Income taxes	-4,386	-4,391
NET RESULT FOR THE PERIOD	15,388	17,538
OTHER ITEMS INCLUDED IN TOTAL COMPREHENSIVE RESULT:		
Translation differences related to foreign units	993	-704
TOTAL COMPREHENSIVE RESULT FOR THE PERIOD	16,381	16,834
Diluted and undiluted earnings per share	0.55	0.63

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (EUR 1,000)

	IFRS 31 Dec 16	IFRS 31 Dec 15
ASSETS		
NON-CURRENT ASSETS		
Intangible assets	19,928	18,009
Goodwill	3,827	3,842
Property, plant and equipment	73,765	59,294
Financial assets	103	105
Investments in associated companies	781	817
Non-current receivables	2,340	2,134
Deferred tax assets	2,525	2,786
TOTAL NON-CURRENT ASSETS	103,269	86,988
CURRENT ASSETS		
Inventories	118,283	104,584
Trade receivables	35,933	40,199
Income tax receivables	859	104
Other current receivables	5,915	9,288
Cash and cash equivalents	37,342	26,495
TOTAL CURRENT ASSETS	198,332	180,670
TOTAL ASSETS	301,600	267,658
SHAREHOLDERS' EQUITY AND LIABILITIES		
SHAREHOLDERS' EQUITY		
Share capital	7,000	7,000
Other reserves	2,452	2,452
Translation differences	758	-796
Treasury shares	-346	-346
Retained earnings	139,932	109,602
EQUITY OWNED BY PARENT COMPANY SHAREHOLDERS	149,796	117,912

NON-CURRENT LIABILITIES		
Interest-bearing liabilities	46,653	39,346
Deferred tax liabilities	799	905
Other non-current liabilities	0	7
TOTAL NON-CURRENT LIABILITIES	47,452	40,259
CURRENT LIABILITIES		
Interest-bearing liabilities	13,462	23,056
Provisions	7,336	6,120
Tax liabilities for the period	2,043	1,906
Trade creditors and other current liabilities	81,511	78,405
TOTAL CURRENT LIABILITIES	104,353	109,487
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	301,600	267,658

CONSOLIDATED STATEMENT OF CASH FLOWS (EUR 1,000)

	IFRS 1-12/16	IFRS 1-12/15
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net result for the period	45,712	41,280
Adjustments:		
Financial income and expenses	-3,074	5,552
Share of the result of associated companies	-23	50
Depreciation and amortisation	11,905	9,890
Income taxes	12,543	9,105
Other adjustments	3,051	-26
Cash flow before changes in working capital	70,114	65,850
Change in working capital:		
Change in trade receivables and other receivables	7,437	-19,666
Change in inventories	-13,699	-11,850
Change in trade creditors and other liabilities	2,777	17,238
Change in provisions for liabilities and charges	1,216	1,373
Interest received	222	224
Interest paid	-953	-1,069
Other financial items	-468	723
Income taxes paid	-12,905	-8,840
NET CASH FLOWS FROM OPERATING ACTIVITIES (A)	53,740	43,982
CASH FLOWS USED IN INVESTING ACTIVITIES		
Investments in tangible and intangible assets	-28,280	-24,360
Proceeds from sale of tangible and intangible assets	198	193
NET CASH FLOWS USED IN INVESTMENT ACTIVITIES (B)	-28,082	-24,167

CASH FLOWS FROM FINANCING ACTIVITIES

Sales of treasury shares	0	1,118
Withdrawal/Repayment of current loans	2,220	3,000
Withdrawal of non-current loans	1,004	17,520
Repayment of non-current loans	-5,702	-9,659
Payment of finance lease liabilities	191	-167
Change in non-current receivables	-1,396	216
Dividends paid	-15,382	-12,586
NET CASH FLOWS FROM FINANCING ACTIVITIES (C)	-19,065	-558
Change in cash and cash equivalents (A+B+C)	6,593	19,257
Cash and cash equivalents on 1 Jan	26,495	12,719
Impact of exchange rate changes	4,254	-5,481
Cash and cash equivalents on 31 Dec	37,342	26,495

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (EUR 1,000)

A = Share capital

B = Share premium and other reserves

C = Translation differences

D = Treasury shares

E = Retained earnings

F = Total shareholders' equity

	EQUITY OWNED BY PARENT COMPANY SHAREHOLDERS					
	A	B	C	D	E	F
SHAREHOLDERS' EQUITY 1						
JAN 2016	7,000	2,452	-796	-346	109,602	117,912
Translation differences			1,554			1,554
Result for the period					45,712	45,712
Total comprehensive income for the period			1,554		45,712	47,266
Dividend distribution					-15,382	-15,382
SHAREHOLDERS' EQUITY 31 DEC 2016	7,000	2,452	758	-346	139,932	149,796
SHAREHOLDERS' EQUITY 1						
JAN 2015	7,000	130	-1,676	-2,228	82,790	86,016
Translation differences			880			880
Result for the period					41,280	41,280
Total comprehensive income for the period			880		41,280	42,160
Dividend distribution					-12,586	-12,586

Matching Share Plan		2,422		1,882	-1,882	2,422
Other changes		-100				-100
SHAREHOLDERS' EQUITY						
31 DEC 2015	7,000	2,452	-796	-346	109,602	117,912

				31 Dec 16	31 Dec 15
1. LEASING COMMITMENTS (EUR 1,000)				1,020	914

				31 Dec 16	31 Dec 15
2. CONTINGENT LIABILITIES (EUR 1,000)					
Guarantees given on behalf of others				549	462
Repurchase commitments				3,021	4,290
Other commitments				1,177	276
TOTAL				4,747	5,028

				Guarantee provision
3. PROVISIONS (EUR 1,000)				
1 January 2016				6,120
Provisions added				3,268
Provisions cancelled				-2,052
31 December 2016				7,336

				31 Dec 16	31 Dec 15
KEY FIGURES AND RATIOS					
R&D expenditure, MEUR				12.4	12.1
Capital expenditure, MEUR				28.3	24.4
as % of net sales				5.5	5.3
Average number of employees				1,435	1,329
Order books, MEUR				123.9	158.1
Equity ratio, %				50.3	44.8
Diluted and undiluted earnings per share (EUR)				1.63	1.48
Equity per share (EUR)				5.35	4.21

FORMULAE FOR FINANCIAL INDICATORS

Return on capital employed, %:

Result before tax + financial expenses

 Shareholder's equity + interest-bearing financial liabilities (average during the year) * 100

Average number of employees:

Average of the number of personnel at the end of each month. The calculation has been adjusted for part-time employees.

Net gearing, %:
Interest-bearing financial liabilities – cash and cash equivalents

Shareholders' equity * 100

Equity ratio, %:
Shareholders' equity + Non-controlling interests

Balance sheet total - advance payments received * 100

Earnings per share:
Net result for the period - Non-controlling interests

Average number of shares during the accounting period, adjusted for share issues

Equity per share:
Shareholders' equity

Number of shares on the balance sheet date, adjusted for share issues

ORDER INTAKE (EUR million)	1-12/16	1-12/15
Ponsse Group	493.8	469.4

The stock exchange release for annual financial statements has been prepared observing the recognition and valuation principles of IFRS standards, but not all of the requirements of IAS 34 have been complied with. The same accounting principles were observed for the closing of the books as for the annual financial statements dated 31 December 2015.

In addition to the consolidated financial statements according to IFRS, the stock exchange release for annual financial statements presents the above-mentioned indicators that aim to illustrate the operational performance and profitability of the company. The Group has applied ESMA's (the European Securities and Markets Authority) new Guidelines on Alternative Performance Measures, which entered into effect on 3 July 2016, and defined these indicators in accordance with the presented calculation formulas. The alternative performance measures can be calculated directly from the figures presented in the consolidated financial statements.

The above figures are unaudited.

The above figures have been rounded and may therefore differ from those given in the official financial statements.

This communication includes future-oriented statements that are based on the assumptions currently made by the company's management and its current decisions and plans. Although the management believes that the future expectations are well founded, there is no certainty

that these expectations will prove to be correct. This is why the results may significantly deviate from the assumptions included in the future-oriented statements as a result of, among other things, changes in the economy, markets, competitive conditions, legislation or currency exchange rates.

Vieremä, 14 February 2017

PONSSE PLC

Juho Nummela
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Ponsse Plc is a company specialising in the sales, manufacture, servicing and technology of cut-to-length method forest machines and is driven by genuine interest in its customers and their business. Ponsse develops and manufactures sustainable and innovative harvesting solutions based on customers' needs.

The company was established by forest machine entrepreneur Einari Vidgrén in 1970, and it has been a leader in timber harvesting solutions based on the cut-to-length method ever since. Ponsse is headquartered in Vieremä, Finland. The company's shares are quoted on the NASDAQ OMX Nordic List.