

PONSSE PLC STOCK EXCHANGE RELEASE 15 FEBRUARY 2011 AT 9:00 A.M.

PONSSE FINANCIAL STATEMENTS 1 JANUARY TO 31 DECEMBER 2010

- Net sales were EUR 262.4 (Q1-Q4/2009 EUR 146.7) million.
- Q4 net sales were EUR 90.6 (Q4/2009 EUR 47.8) million.
- Operating result was EUR 21.7 (Q1-Q4/2009 EUR -15.7) million, which was equal to 8.3 (-10.7) percent of net sales. Operating result for the period under review includes a non-recurring expense item of EUR 2.1 million.
- Q4 operating result was EUR 6.4 (Q4/2009 EUR -0.7) million. Operating result for the period under review includes a non-recurring expense item of EUR 1.2 million.
- Result before taxes was EUR 24.4 (Q1-Q4/2009 EUR -15.6) million.
- Cash flow from business operations was positive at EUR 28.5 (Q1-Q4/2009 EUR 11.2) million.
- Earnings per share were EUR 0.78 (Q1-Q4/2009 EUR -0.77).
- Equity ratio was 46.9 (41.3) percent.
- Order books stood at EUR 68.3 (20.3) million.

PRESIDENT AND CEO JUHO NUMMELA:

Of our market areas, Northern Europe and Russia were strong in net sales. Our customers' work situation was good in all of our main market areas, which was seen in the strong demand for services and trade-in machines. In Canada, the demand for forest machines picked up during the period under review.

During the last quarter of 2010, forest machines were delivered to customers according to plan and the sales of trade-in machines was at a higher level than expected. At the end of the period, the company's order books stood at EUR 68.3 (20.3) million.

During the past quarter, the company's net sales increased by 90 percent compared to the corresponding period and amounted to EUR 90.6 (47.8) million. Net sales increased by 79 percent during the period under review, totalling EUR 262.4 million. The service business continued to show strong growth.

The operating result for the last quarter was EUR 6.4 (-0.7) million and EUR 21.7 (-15.7) million for the period under review. The result of the financial period was burdened by EUR 2.1 million of impairments related to the South American subsidiary's inventories and external trade receivables. Operating costs (staff costs, depreciation and amortisation and other operating expenses) were kept under control during the period under review, showing an increase of 20.2 percent.

Cash flow from business operations during the period under review was positive by EUR 28.5 (11.2) million. Cash flow from business operations became excellent as a result of the good result and efficient control of inventories.

The assembly line in the company's Vieremä factory adopted two shifts in the last quarter since the beginning of the year 2009.

NET SALES

Consolidated net sales for the period under review amounted to EUR 262.4 (146.7) million, which is 79 percent more than in the comparison period. International business operations accounted for 68.0 (70.6) percent of total net sales. Net sales were regionally distributed as follows: Northern Europe 49.7 (51.1) percent, Central and Southern Europe 17.0 (19.5) percent, Russia and Asia 14.9 (10.7) percent, North and South America 18.4 (18.7) percent and other countries 0.0 (0.0) percent.

PROFIT PERFORMANCE

The operating result was EUR 21.7 (-15.7) million. The operating result equalled 8.3 (-10.7) percent of net sales in the period under review. During the last quarter of the year, impairments of about EUR 1.2 million related to external trade receivables in South America was recognised as a non-recurring expense item. The result of the financial period was burdened by EUR 2.1 million of impairments related to the South American subsidiary's inventories and trade receivables. Return on capital employed (ROCE) stood at 23.6 (-10.2) percent.

Staff costs for the period under review totalled EUR 38.2 (32.0) million, and other operating expenses EUR 28.0 (22.1) million. The net total of financial income and expenses was EUR 2.8 (0.1) million. Exchange rate gains and losses due to currency rate fluctuations were recognised under financial items, and their net impact during the period under review totalled EUR 3.9 million (1.9 million). As a result of the company's approved correction request regarding income taxes, the taxes for the period under review were EUR -1.1 (-4.7) million. Profit for the period under review totalled EUR 23.3 (-20.3) million. Diluted and undiluted earnings per share (EPS) were EUR 0.78 (0.77).

STATEMENT OF FINANCIAL POSITION AND FINANCING ACTIVITIES

At the end of the period under review, the total of consolidated statements of financial position amounted to EUR 161.7 (144.8) million. The value of inventories was EUR 72.4 (67.9) million. Trade receivables totalled EUR 32.1 (21.4) million and liquid assets stood at EUR 11.0 (10.6) million. Group shareholders' equity stood at EUR 75.2 (59.6) million and parent company equity at EUR 64.2 (45.0) million. Group shareholders' equity includes the hybrid loan of EUR 19 million issued on 31 March 2009. The interest paid for the hybrid loan and the interest payment liability resulting from the decision to pay dividends, totalling EUR 4.5 million, were entered as a decrease in Group shareholders' equity. The amount of interest-bearing liabilities was EUR 36.8 (51.9) million. The company has used 16 percent of its credit facility limit. The parent company's net receivables from other Group companies stood at EUR 65.1 (58.0) million. The parent company's receivables from subsidiaries mainly consisted of trade receivables. Consolidated net liabilities totalled EUR 24.2 (40.8) million, and the debt-equity ratio (gearing) was 48.9 (87.1) percent. The equity ratio stood at 46.9 (41.3) percent at the end of the period under review.

Cash flow from business operations amounted to EUR 28.5 (11.2) million. Cash flow from investment activities stood at EUR -4.8 (-2.0) million.

ORDER INTAKE AND ORDER BOOKS

Order intake for the period totalled EUR 311.2 (143.5) million, while period-end order books were valued at EUR 68.3 (20.3) million. The minimum order commitments of retailers are not included in the order book total.

DISTRIBUTION NETWORK

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

The subsidiaries included in the Ponsse Group are: Epec Oy, Finland; OOO Ponsse, Russia; Ponsse AB, Sweden; Ponsse AS, Norway; Ponsse Asia-Pacific Ltd, Hong Kong; Ponsse China Ltd, China; Ponsse Latin America Ltda, Brazil; Ponsse North America, Inc., the United States; Ponssé S.A.S., France; Ponsse UK Ltd, the United Kingdom; and Ponsse Uruguay S.A., Uruguay. Sunit Oy, based in Kajaani, Finland, is an affiliated company in which Ponsse Oyj has a holding of 34 percent.

CAPITAL EXPENDITURE AND R&D

During the period under review, the Group's R&D expenses totalled EUR 5.9 (4.9) million, of which EUR 1.7 (1.2) million was capitalised.

Capital expenditure totalled EUR 4.8 (2.0) million. It mainly consisted of ordinary maintenance and replacement investments of machinery and equipment.

GENERAL MEETING

The Annual General Meeting took place on 31 March 2010 in Vieremä. The parent company statements and the consolidated financial statements were approved and members of the Board of Directors and the President and CEO were discharged from liability for the 2009 financial period.

The AGM decided to authorise a dividend per share of EUR 0.15 for 2009 (dividends totalling EUR 4,192,815). No dividend was paid to treasury shares (47,900 shares). The record date was 7 April 2010 and the dividend payment date was 14 April 2010.

The Annual General Meeting authorised the Board of Directors to decide on the acquisition of treasury shares so that a maximum of 250,000 shares can be acquired in one or more batches. The maximum amount corresponds to approximately 0.89 percent 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 treasury shares using the company's unrestricted shareholders' equity.

The authorisation is required for supporting the company's growth strategy in the company's potential business arrangements or other arrangements. In addition, the shares can be issued to the company's current shareholders or used for increasing the ownership value of the company's shareholders 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 in the acquisition of treasury shares.

The authorisation is valid until the next AGM; however, no later than 30 June 2011.

The AGM authorised the Board of Directors to decide on the issue of new shares and 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 percent 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 AGM; however, no later than 30 June 2011.

BOARD OF DIRECTORS AND THE COMPANY'S AUDITORS

The Board of Directors comprised six members during the period under review: Maarit Aarni-Sirviö (until 31 March 2010), Heikki Hortling (as of 31 March 2010), Marja Liisa Kaario (as of 31 March 2010), Ilkka Kylävainio, Seppo Remes (until 31 March 2010), Ossi Saksman, Einari Vidgrén (until 26 October 2010) and Juha Vidgrén.

Ponsse Plc's Board of Directors reorganised itself as a result of the sudden death of Einari Vidgrén, the Chairman of the Board, on 26 October 2010. Juha Vidgrén was unanimously elected as the Chairman of the Board and Heikki Hortling was elected as the Vice Chairman.

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

The Board of Directors convened thirteen times during the period under review. The attendance rate was 92.3 percent.

During the period under review, auditing firm Ernst & Young Oy acted as the company auditor with Eero Huusko, Authorised Public Accountant, as the principal auditor until 31 March 2010. The Annual General Meeting elected PricewaterhouseCoopers Oy as the company's auditor with Sami Posti, Authorised Public Accountant, as the principal auditor as of 31 March 2010.

MANAGEMENT

The following persons were members of the Management Team: Juho Nummela, President and CEO, acting as the chairman; Pasi Arajärvi, Purchasing and Logistics Director; Juhani Mäkynen, Service Director (until 3 May 2010); Tapio Mertanen, Service Director (as of 3 May 2010); Juha Haverinen, Factory Director; Paula Oksman, HR Director; Petri Härkönen, CFO; Juha Inberg,

Technology and R&D Director; and Jarmo Vidgrén, Deputy CEO, Sales and Marketing Director. The company management has regular management liability insurance.

During the period under review, the following persons were members of the Group Sales Management Team until 31 July 2010: Cláudio Costa (South America), Tapio Ingervo (Central and Southern Europe), Marko Mattila (North America), Jaakko Laurila (Russia), Tapio Mertanen (Distribution Development, Sweden and Norway and Service businesses as of 3 May 2010), Juhani Mäkynen (Service businesses until 3 May 2010), Norbert Schalkx (Asia, Oceania and Africa), and Jarmo Vidgrén (chairman, Finland and the Baltic countries).

As of 1 August 2010, the Group Sales Management Team was reorganised to operate as a regional director organisation, which is lead by Jarmo Vidgrén, the Group's Sales and Marketing Director, and Tapio Mertanen, Service Director.

The geographical distribution and the responsible persons are presented below:
Northern Europe: Jarmo Vidgrén (Finland), Jerry Wannberg (Sweden, Denmark) and Lyder Ellevold (Norway),
Central and Southern Europe: Janne Vidgrén (Austria, Poland, Romania, Germany, the Czech Republic and Hungary), Tapio Ingervo (Spain, Italy, Portugal and France) and Gary Glendinning (the United Kingdom)
Russia and Asia: Jaakko Laurila (Russia, Belarus), Norbert Schalkx (Japan, South Africa and the Baltic countries) and Risto Kääriäinen (China),
North and South America: Marko Mattila (the United States, Canada), Cláudio Costa (Brazil) and Martin Toledo (Uruguay).

On 18 October 2010, Timo Karppinen (46), M.Soc.Sc., was appointed as the company's Executive Director, Corporate Development and Strategy, effective from 1 January 2011. He reports to the company's President and CEO.

PERSONNEL

The Group had an average staff of 825 (858) during the period and employed 860 (781) people at period-end.

SHARE PERFORMANCE

The company's registered share capital consists of 28,000,000 shares. The company had 6 688 shareholders. The trading volume of Ponsse Plc shares for 1 January - 31 December 2010 totalled 3,867,488, accounting for 13.8 percent of the total number of shares. Share turnover amounted to EUR 35.9 million, with the period's lowest and highest share prices amounting to EUR 6.63 and EUR 12.15, respectively.

At the end of the period, shares closed at EUR 10.80, and market capitalisation totalled EUR 302.4 million.

At the end of the reporting period the company held 212,900 treasury shares. During the period, the company acquired 165 000 treasury shares pursuant to the authorisation of the Annual General Meeting.

DISCLOSURE NOTIFICATIONS

According to the company's notification, the Ponsse Plc shares owned by Einari Vidgrén, 13,348,074 shares and 47.67 percent of the votes, are owned and controlled by Einari Vidgrén's estate until the distribution of the estate.

When the estate is distributed, the shares owned and controlled by Einari Vidgrén's estate will be divided equally between his four direct heirs, of whom Janne, Juha and Jarmo Vidgrén are employed by Ponsse Plc.

QUALITY AND ENVIRONMENT

Ponsse observes in its operations the ISO 9001:2000 quality standard, the ISO 14001 environmental system standard and the OHSAS 18001 occupational safety and health standard, of which the first two are certified. During the period under review, Lloyd's Register Quality Assurance performed an audit of the ISO 9001:2008 quality system and the ISO 14001 environmental system.

The company complies with environmental legislation in its operations. Regulatory amendments are continuously monitored and the necessary actions are taken accordingly. In accordance with the company's environmental policy, Ponsse aims to develop and manufacture products with the lowest possible load on the environment.

Practices and production processes are developed through internal audits and supplier audits. Investments in auditing have continued, and they have assisted the company in creating new and better practices, both for its own operations and those of its suppliers. Production processes are being developed utilising the method of continual improvement. The quality assurance system stresses the significance of proactive measures. The Lean Six Sigma quality improvement scheme was continued during the year.

The company continued its close cooperation with occupational healthcare. The focus was on developing preventive occupational healthcare with active patient participation.

The Group-level Data Security Team is responsible for the general development of information security, maintenance of the Group information security policy and coordination of information security training.

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 2010. 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 RISKS AND THEIR MANAGEMENT

As the utilisation rate of capacity increases, the risk related to the availability of parts and components also increases. The availability of certain types of components has deteriorated, and there are upward pressures in raw material prices. The company seeks to manage these risks through cooperation with business partners. The financial standing of suppliers is regularly and constantly monitored. The company surveys the availability of alternative suppliers to mitigate the potential availability and price risks.

The parent company monitors the changes in the value of Group receivables and the associated risk of impairment.

The key objective of the company's financial risk management is to manage liquidity, interest and currency risks. The company ensures its liquidity with credit limit facilities agreed with different financial institutions. The company's financial liabilities are guaranteed by covenants. The most important covenant associated with the bank loans taken by the Group is its equity ratio. The terms and conditions of covenants were met at the end of the period under review. The effect of adverse changes in interest rates is minimised by utilising credits linked to different reference rates and by concluding interest swaps. The negative effects of currency rate fluctuations are mitigated by derivative contracts.

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

EVENTS AFTER THE PERIOD

The company has no important events after the conclusion of the period under review.

OUTLOOK FOR THE FUTURE

The good outlook in the forestry sector in the company's main market areas enables positive development of the company's business during 2011.

After the year of strong growth in 2010, the company's net sales are expected to grow more moderately in accordance with the company's strategy. The company's profitability and cash flow are expected to develop positively and improve from 2010.

The capacity of the factory will be increased during the year and moderate recruitment will continue throughout the whole Group. The company will invest in its service business network and the machining and welding capacity and automation of the Vieremä factory.

ANNUAL GENERAL MEETING

Ponsse Plc's Annual General Meeting will be held on 12 April 2011, starting at 10:00 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 company's Board of Directors proposes that the Annual General Meeting authorises a dividend per share of EUR 0.35 for 2010. It is also proposed that the Annual General Meeting will authorize the Board to decide of a possibility to pay an additional dividend by the end of the year 2011. The Board proposes to the Annual General Meeting that a profit bonus will be paid to the staff for the year 2010.

PONSSE GROUP

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (EUR 1,000)

	IFRS 1-12/10	IFRS 1-12/09
NET SALES	262,416	146,705
Increase (+)/decrease (-) in inventories of finished goods and work in progress	476	-8,321
Other operating income	898	1,154
Raw materials and services	-170,810	-95,982
Expenditure on employment-related benefits	-38,243	-31,968
Depreciation and amortisation	-5,079	-5,244
Other operating expenses	-27,984	-22,087
OPERATING RESULT	21,674	-15,744
Share of results of associated companies	5	71
Financial income and expenses	2,769	123
RESULT BEFORE TAXES	24,448	-15,550
Income taxes	-1,111	-4,700
NET RESULT FOR THE PERIOD	23,338	-20,251
OTHER ITEMS INCLUDED IN TOTAL COMPREHENSIVE RESULT:		
Translation differences related to foreign units	-904	-56
TOTAL COMPREHENSIVE RESULT FOR THE PERIOD	22,434	-20,307
Diluted and undiluted earnings per share (*)	0.78	-0.77

	IFRS 10-12/10	IFRS 10-12/09
NET SALES	90,597	47,783
Increase (+)/decrease (-) in inventories of finished goods and work in progress	-6,085	-3,716
Other operating income	220	217
Raw materials and services	-56,238	-29,113
Expenditure on employment-related benefits	-11,604	-8,284
Depreciation and amortisation	-1,273	-1,293
Other operating expenses	-9,194	-6,308
OPERATING RESULT	6,422	-717
Share of results of associated companies	236	136
Financial income and expenses	1,052	438
RESULT BEFORE TAXES	7,710	-143
Income taxes	-2,162	-2,755

NET RESULT FOR THE PERIOD	5,548	-2,899
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OTHER ITEMS INCLUDED IN

TOTAL COMPREHENSIVE RESULT:

Translation differences related to
foreign units

-250	-506
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TOTAL COMPREHENSIVE RESULT FOR THE
PERIOD

5,298	-3,405
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Diluted and undiluted
earnings per share (*)

0.22	-0.12
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(* The interest on the subordinated loan for the period, less tax, was taken into account in this figure.)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (EUR 1,000)

	IFRS 31.12.10	IFRS 31.12.09
ASSETS		
NON-CURRENT ASSETS		
Intangible assets	6,571	5,287
Goodwill	3,440	3,440
Property, plant and equipment	24,443	25,374
Financial assets	111	110
Investments in associated companies	1,625	1,790
Non-current receivables	3,144	3,299
Deferred tax assets	1,712	1,774
TOTAL NON-CURRENT ASSETS	41,045	41,074
CURRENT ASSETS		
Inventories	72,391	67,920
Trade receivables	32,125	21,409
Income tax receivables	623	243
Other current receivables	4,483	3,508
Cash and cash equivalents	11,036	10,626
TOTAL CURRENT ASSETS	120,659	103,707
TOTAL ASSETS	161,704	144,781
SHAREHOLDERS' EQUITY AND LIABILITIES		
SHAREHOLDERS' EQUITY		
Share capital	7,000	7,000
Other reserves	19,030	19,030
Translation differences	-1,032	-128
Treasury shares	-2,228	-665
Retained earnings	52,396	34,329
EQUITY OWNED		
BY PARENT COMPANY SHAREHOLDERS	75,166	59,566
NON-CURRENT LIABILITIES		
Interest-bearing liabilities	16,155	23,973
Deferred tax liabilities	469	464
Other non-current liabilities	128	590
TOTAL NON-CURRENT LIABILITIES	16,752	25,026
CURRENT LIABILITIES		
Interest-bearing liabilities	20,603	27,939
Provisions	4,706	4,935
Tax liabilities for the period	215	37
Trade creditors and other current liabilities	44,263	27,278
TOTAL CURRENT LIABILITIES	69,787	60,189
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	161,704	144,781

CONSOLIDATED STATEMENT OF CASH FLOWS (EUR 1,000)

	IFRS 1-12/10	IFRS 1-12/09
CASH FLOW FROM BUSINESS OPERATIONS:		
Net result for the period	23,338	-20,251
Adjustments:		
Financial income and expenses	-2,769	-123
Share of the result of associated companies	-5	-71
Depreciation and amortisation	5,079	5,244
Income taxes	1,108	4,534
Other adjustments	-1,449	927
Cash flow before changes in working capital	25,302	-9,738
Change in working capital:		
Change in trade receivables and other receivables	-11,962	2,866
Change in inventories	-4,471	20,388
Change in trade creditors and other liabilities	18,378	-2,256
Change in provisions for liabilities and charges	-229	-1,123
Interest received	486	165
Interest paid	-1,365	-2,226
Other financial items	3,632	1,898
Income taxes paid	-1,310	1,230
NET CASH FLOW FROM BUSINESS OPERATIONS (A)	28,462	11,203
CASH FLOW FROM INVESTMENTS		
Investments in tangible and intangible assets	-4,825	-2,008
Investments in other assets	0	0
Repayment of loan receivables	0	0
Dividends received	0	0
CASH OUTFLOW FROM INVESTMENT ACTIVITIES (B)	-4,825	-2,008
FINANCING		
Acquisition of treasury shares	-1,564	0
Hybrid loan	0	19,000
Interest paid, hybrid loan	-2,280	-1,409
Withdrawal/repayment of current loans	-8,621	-22,536
Change in current interest-bearing receivables	-8	11
Withdrawal/repayment of non-current loans	-6,573	-1,702
Payment of finance lease liabilities	-421	-434
Change in non-current receivables	435	-201
Dividends paid	-4,193	-2,795
NET CASH OUTFLOW FROM FINANCING (C)	-23,227	-6,663
Change in cash and cash equivalents (A+B+C)	410	2,531

Cash and cash equivalents on 1		
January	10,626	8,095
Liquid assets on 31 December	11,036	10,626

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 2010	7,000	19,030	-128	-665	36,375	61,612
Adjustment for previous periods regarding the hybrid loan					-2,046	
ADJUSTED SHAREHOLDERS' EQUITY 1 JAN 2010	7,000	19,030	-128	-665	34,329	59,566
Translation differences			-904			-904
Result for the period					23,338	23,338
Total comprehensive income for the period			-904		23,338	22,434
Direct entries to retained earnings *)					-1,078	-1,078
Dividend distribution					-4,193	-4,193
Purchase of treasury shares				-1,563		-1,563
Other changes						
SHAREHOLDERS' EQUITY 31 DEC 2010	7,000	19,030	-1,032	-2,228	52,396	75,166
SHAREHOLDERS' EQUITY ON 1 JAN 2009	7,000	30	-72	-665	60,830	67,113
Translation differences			-56			-56
Result for the period					-20,251	-20,251
Total comprehensive income for the period			-56		-20,251	-20,307
Direct entries to retained earnings *)					-1,409	-1,409
Dividend distribution					-2,795	-2,795
Purchase of treasury shares						
Other changes		19,000				19,010
SHAREHOLDERS' EQUITY 31 DEC 2009	7,000	19,030	-128	-665	36,375	61,612

*) Consists of the interest paid for the hybrid loan classified as equity.

	31.12.10	31.12.09
1. LEASING COMMITMENTS (EUR 1,000)	4,991	6,176
2. CONTINGENT LIABILITIES (EUR 1,000)	31.12.10	31.12.09
Guarantees given on behalf of others	425	951

Repurchase commitments	2,501	4,111
Other commitments	2,659	2,080
TOTAL	5,585	7,142

3. PROVISIONS (EUR 1,000)	Guarantee provision
1.1.2010	4,935
Provisions added	1,084
Provisions cancelled	-1,313
31.12.2010	4,706

KEY FIGURES AND RATIOS	31.12.10	31.12.09
R&D expenditure, MEUR	5.9	4.9
Capital expenditure, MEUR	4.8	2.0
as % of net sales	1.8	1.4
Average number of employees	825	858
Order books, MEUR	68.3	20.3
Equity ratio, %	46.9	41.3
Diluted and undiluted earnings per share (EUR)	0.78	-0.77
Equity per share (EUR)	2.68	2.13

FORMULAE FOR FINANCIAL INDICATORS

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.

Equity ratio, %:

Shareholders' equity + Non-controlling interests

Balance sheet total - advance payments received * 100

Earnings per share:

Net income for the period - Non-controlling interests - Interest on hybrid loan for the period less tax

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, MEUR	1-12/10	1-12/09
Ponsse Group	311.2	143.5

The financial statements have been prepared in accordance with the IFRS recognition and measurement principles; however, they do not comply with all of the requirements of IAS 34. The same accounting principles were observed for the interim report as for the annual financial statements dated 31 December 2009, with the exception, however, that the following new standards, interpretations and amendments adopted by the EU were introduced from 1 January

2010: IFRS 3 (revised) - Business Combinations; IAS 27 (revised) - Consolidated and Separate Financial Statements; IFRIC 12 - Service Concession Arrangements; IFRIC 15 - Agreements for the Construction of Real Estate; IFRIC 16 - Hedges of a Net Investment in a Foreign Operation; IFRIC 17 - Distributions of Non-cash Assets to Owners; IFRIC 18 - Transfers of Assets from Customers; IFRIC 9 and IAS 39 (amendment) - Reassessment of Embedded Derivatives in Conjunction with Reclassification; IAS 39 (amendment) - Eligible Hedged Items and IFRS 2 (amendment) - Share-Base Payments - Group Cash-settled Share-based Payment Arrangements. These new standards, interpretations and amendments have no impact on the Group's financial statements.

In April 2009, IASB published improvements to 12 standards as part of its annual improvements programme. The Group has adopted the following most salient improvements from 1 January 2010: IFRS 8 (amendment) - Operating Segments; IAS 17 (amendment) - Leases and IAS 36 (amendment) - Impairment of Assets, but these improvements have no impact on the Group's interim report.

The above figures have been audited.

The above figures have been rounded off 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 known 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, 15 February 2011

PONSSE PLC

Juho Nummela
President and CEO

FURTHER INFORMATION

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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.