

Q2 2010 INTERIM REPORT

July 22, 2010

Pekka Lundmark, President and CEO

Teo Ottola, CFO

HIGHLIGHTS OF Q2/10

- **Positives**

- Macroeconomic indicators continued to point to a recovery
- Service demand supported by higher capacity utilization among customer industries
- Signs of growth also in Equipment

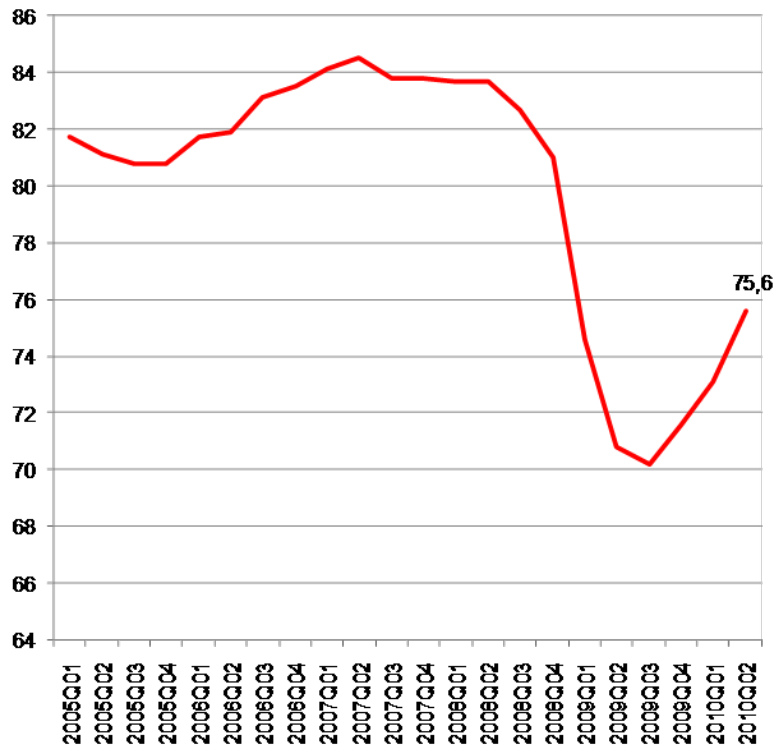
- **Negatives**

- New equipment orders still relatively low, lacking large orders of heavy cranes
- Continued price competition especially in standard equipment
- Uncertainty on the sustainability of economic growth

ORDERS RECEIVED Y/Y	EMEA	AME	APAC
SERVICE			
EQUIPMENT			

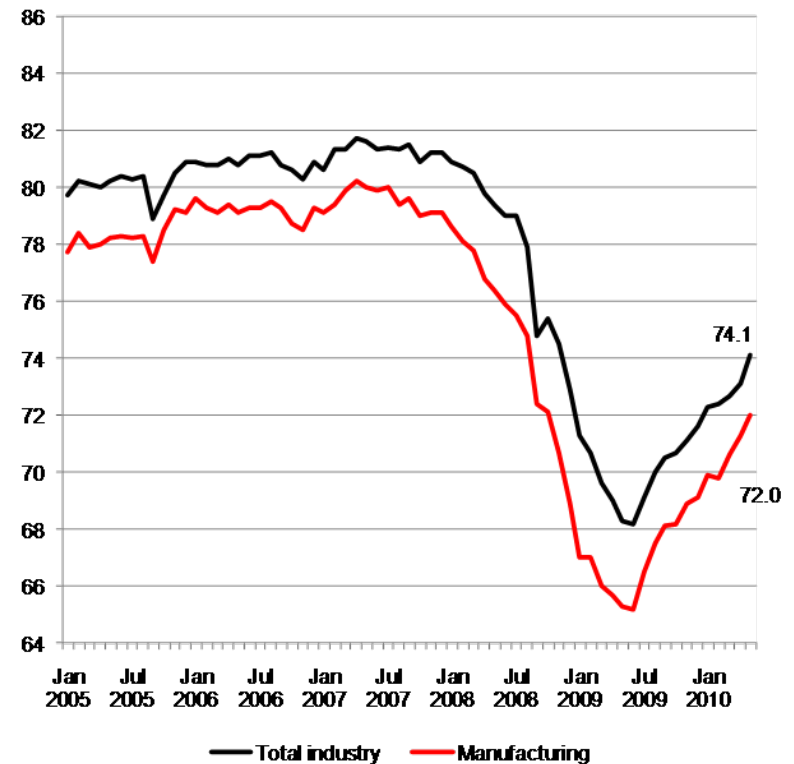
CAPACITY UTILIZATION: EU27 AND USA

Capacity utilisation of manufacturing in EU



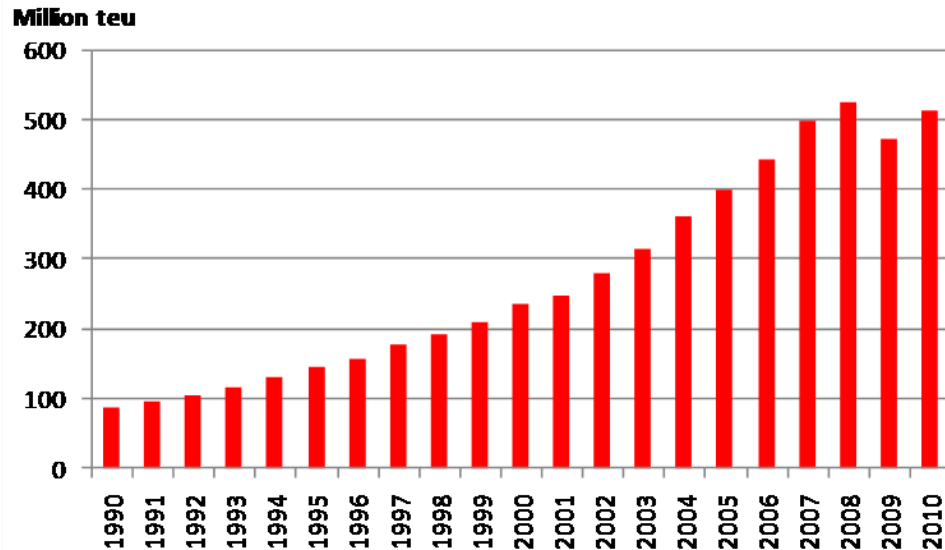
SOURCES: Eurostat, Federal Reserve Bank of St. Louis

Capacity utilisation in the USA

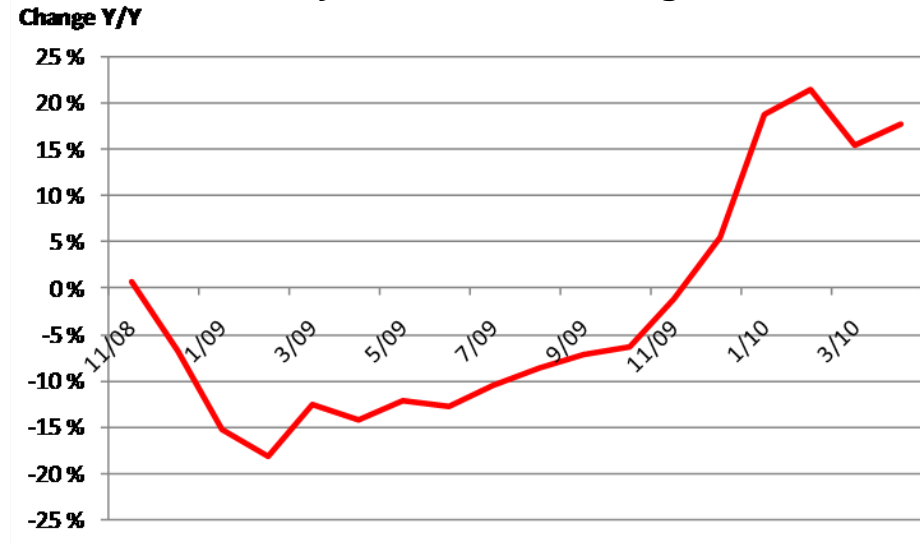


CONTAINER TRAFFIC

Annual container handling volume



Monthly container handling volume



SOURCES: Drewry Container Annual 2009/2010, Drewry Freight Shipper Insight

ACQUISITIONS IN 2010

- Three MTS companies in Denmark and the UK



- Purchase of 22% of shares in Kito



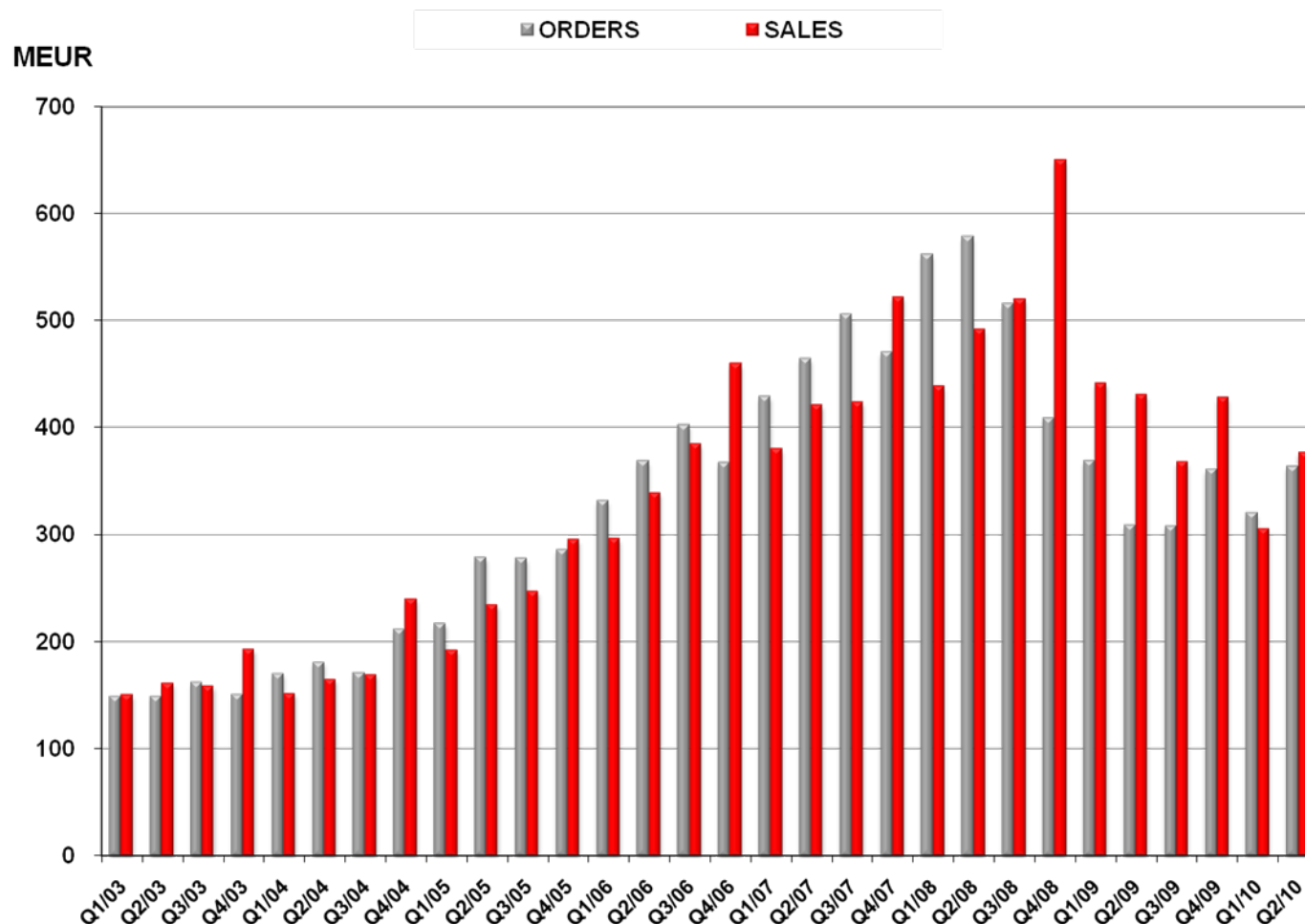
- Crane service and MTS company in France (finalized in July)



- Capex on acquisitions and investments in associated companies
EUR 30 million in January-June
- Acquisitive impact approximately 3% on orders and sales in January-June

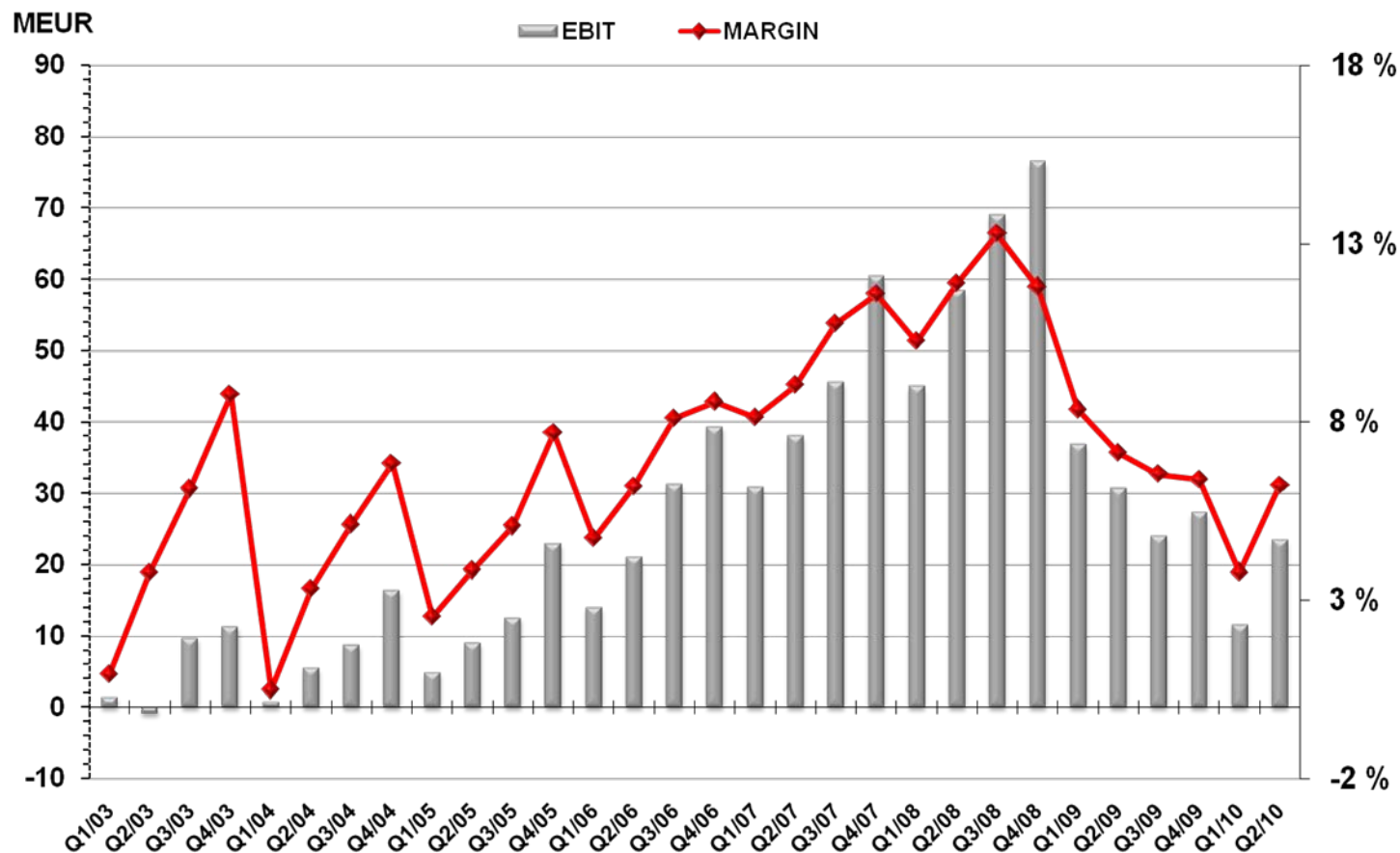
Q2/2010 GROUP ORDERS AND NET SALES

Orders: 364.4 (309.6) MEUR, +17.7% | Net sales: 377.0 (431.6) MEUR, -12.6%



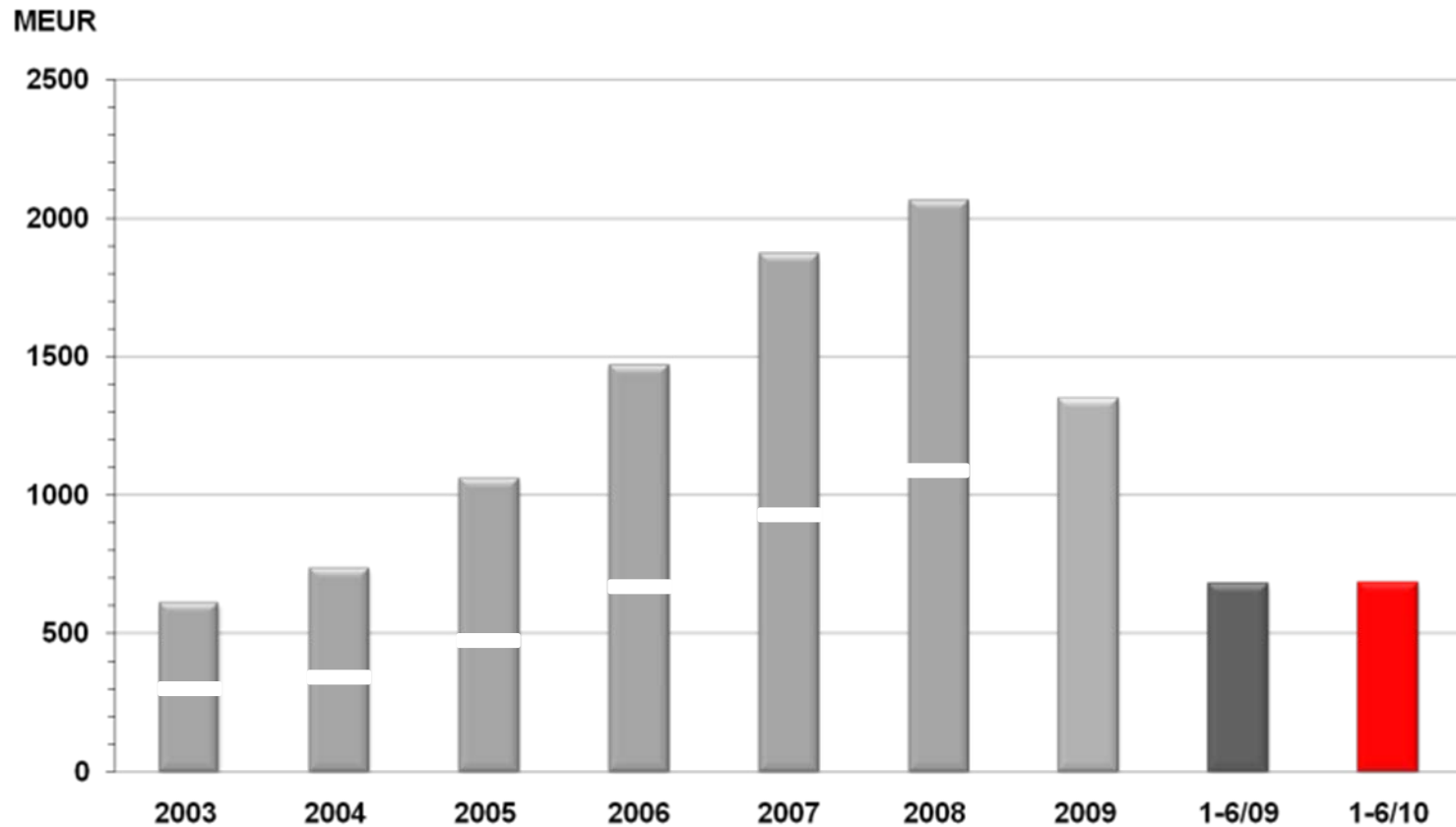
Q2/2010 GROUP EBIT & MARGIN

EBIT: 23.4 (30.7) MEUR, -23.8% | Margin: 6.2% (7.1%), excluding restructuring costs



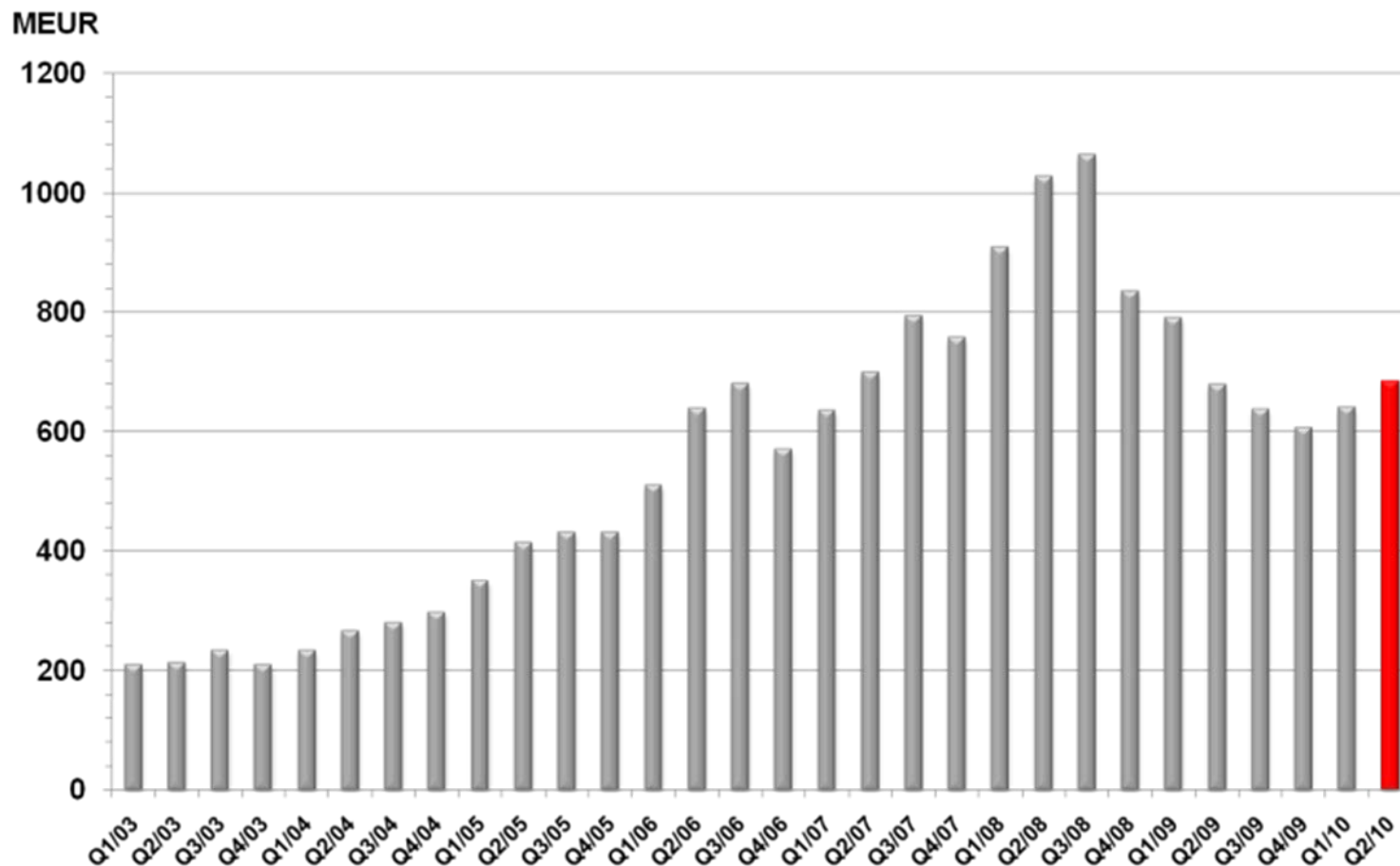
H1/2010 GROUP ORDERS RECEIVED

684.9 (679.3) MEUR, +0.8%



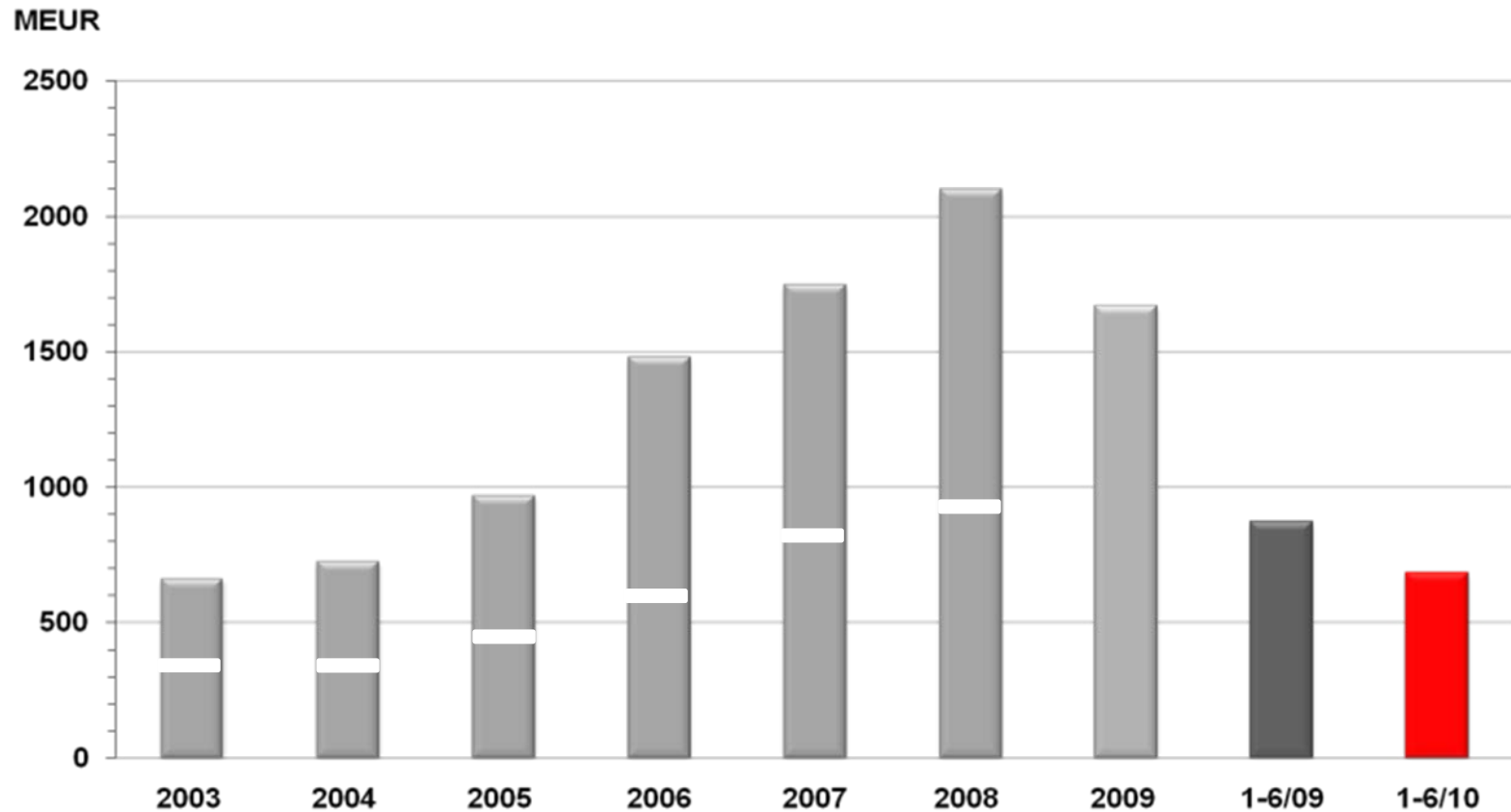
GROUP ORDER BOOK June 30, 2010

685.2 (680.6) MEUR, +0.7%



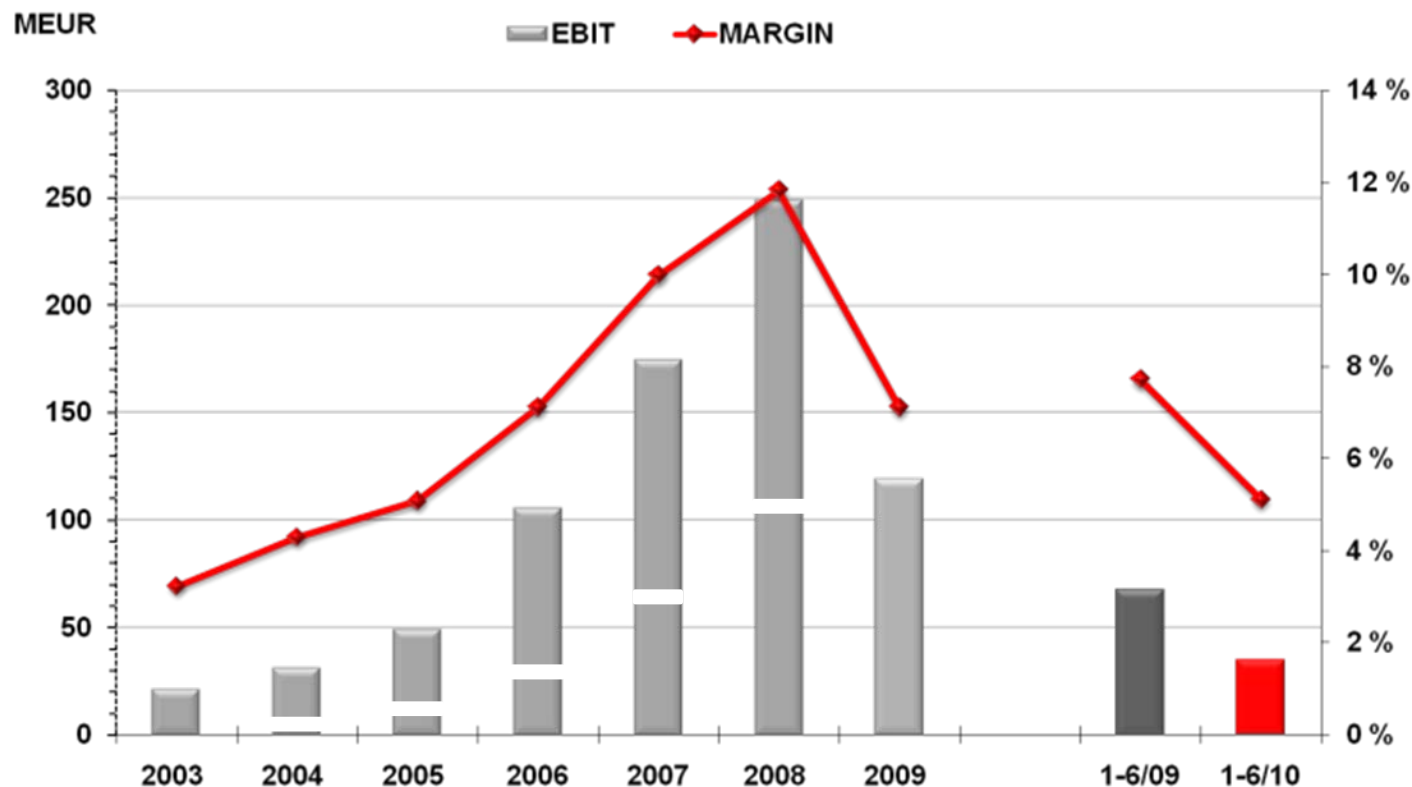
H1/2010 GROUP NET SALES

683.3 (873.7) MEUR, -21.8%

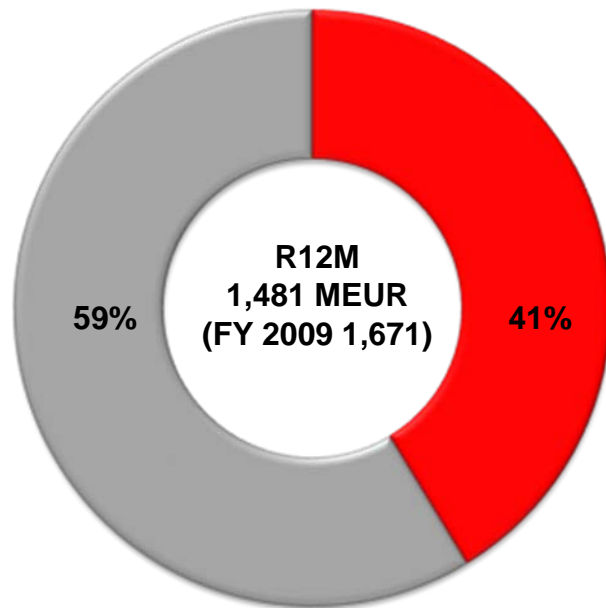


H1/2010 GROUP EBIT & MARGIN

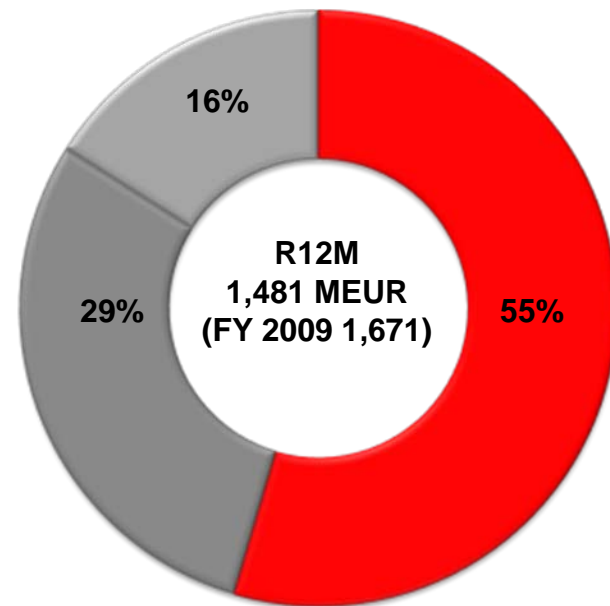
EBIT: 35.0 (67.5) MEUR | MARGIN: 5.1% (7.7%), excluding restructuring costs



SALES SPLIT BY BUSINESS AREA AND REGION

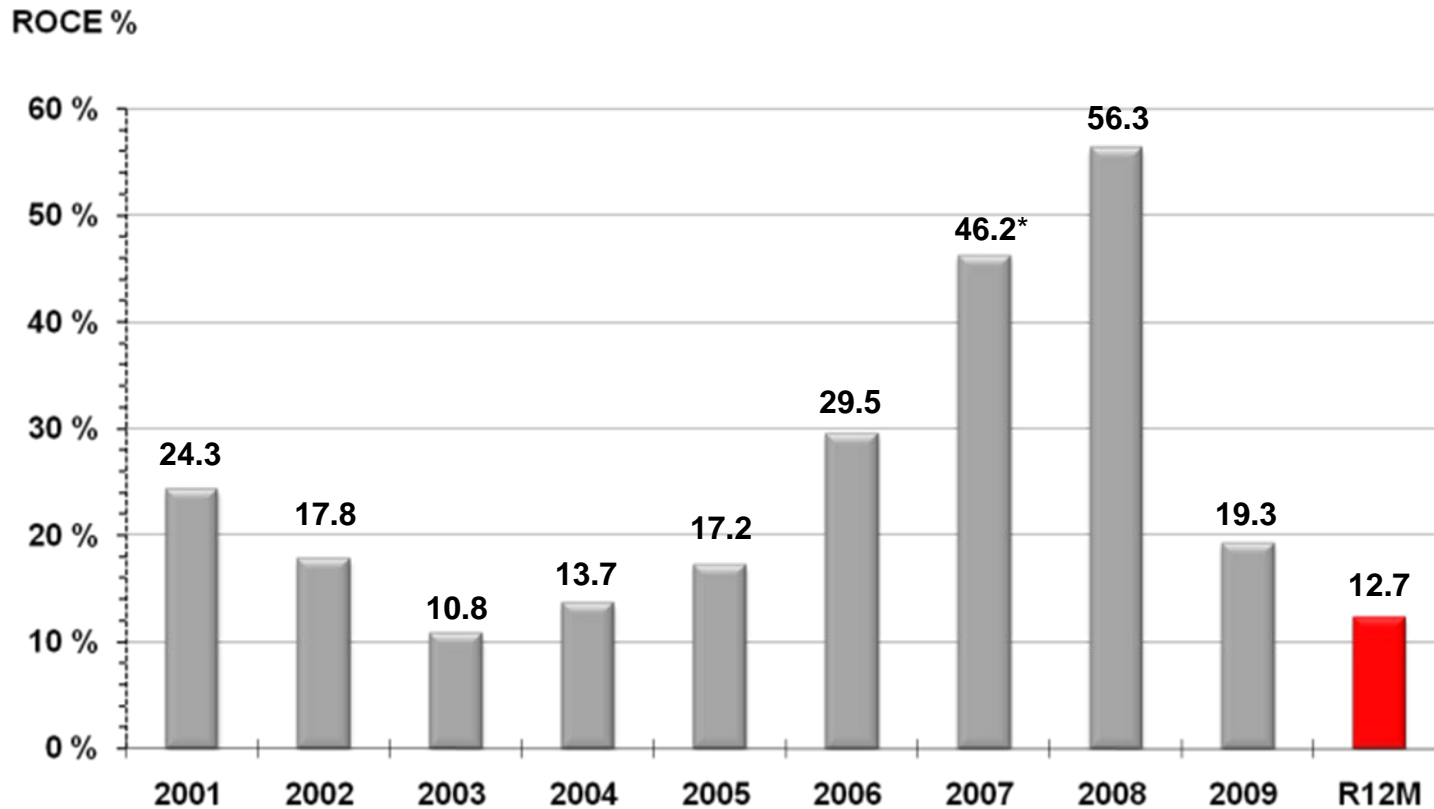


■ Service ■ Equipment



■ EMEA ■ Americas ■ Asia-Pacific

RETURN ON CAPITAL EMPLOYED



*The 2007 ROCE including capital gain was 50.4%

FUTURE PROSPECTS AS OF JULY 22, 2010

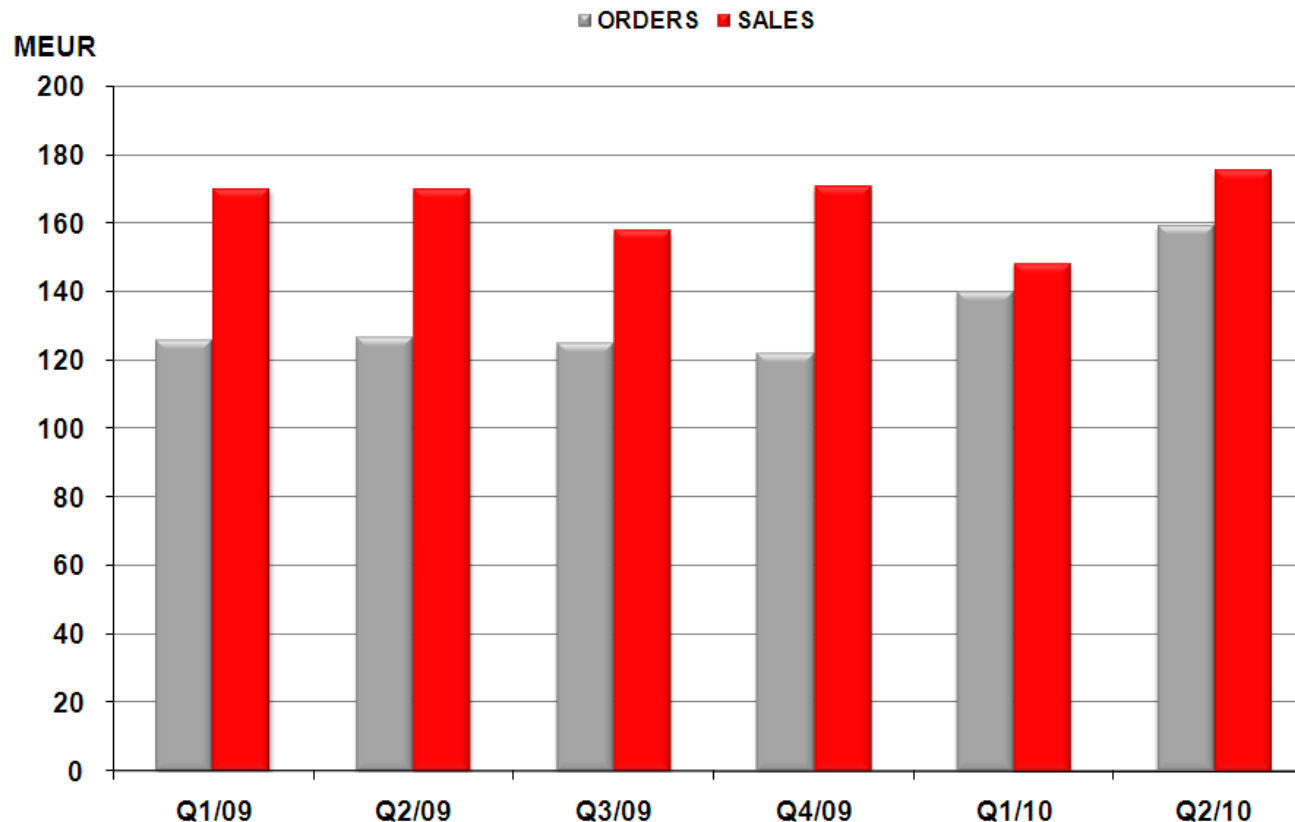
- 2010 guidance for sales and operating profit reiterated, Equipment's demand outlook changed
 - Demand for maintenance services supported by higher capacity utilization within customer industries
 - Improved industrial production and container handling volumes have increased customers' willingness to invest in new equipment too, but the decision-making is still conditional on the sustainability of economic growth
 - Price competition to remain
- Growing demand will support our sales and profitability already during the second half of 2010
 - However, due to the low first half year sales we expect full year 2010 sales to be lower than in 2009
 - Operating profit in 2010 expected to be lower than in 2009 before restructuring costs

A man in a blue Konecranes shirt is shown in profile, looking down at a handheld electronic device. He is holding a stylus in his right hand and the device in his left. The device has a screen and a keypad. The background is a blurred outdoor parking lot with several white vehicles. The word "SERVICE" is overlaid on the left side of the image.

SERVICE

SERVICE: Q2/2010 ORDERS AND NET SALES

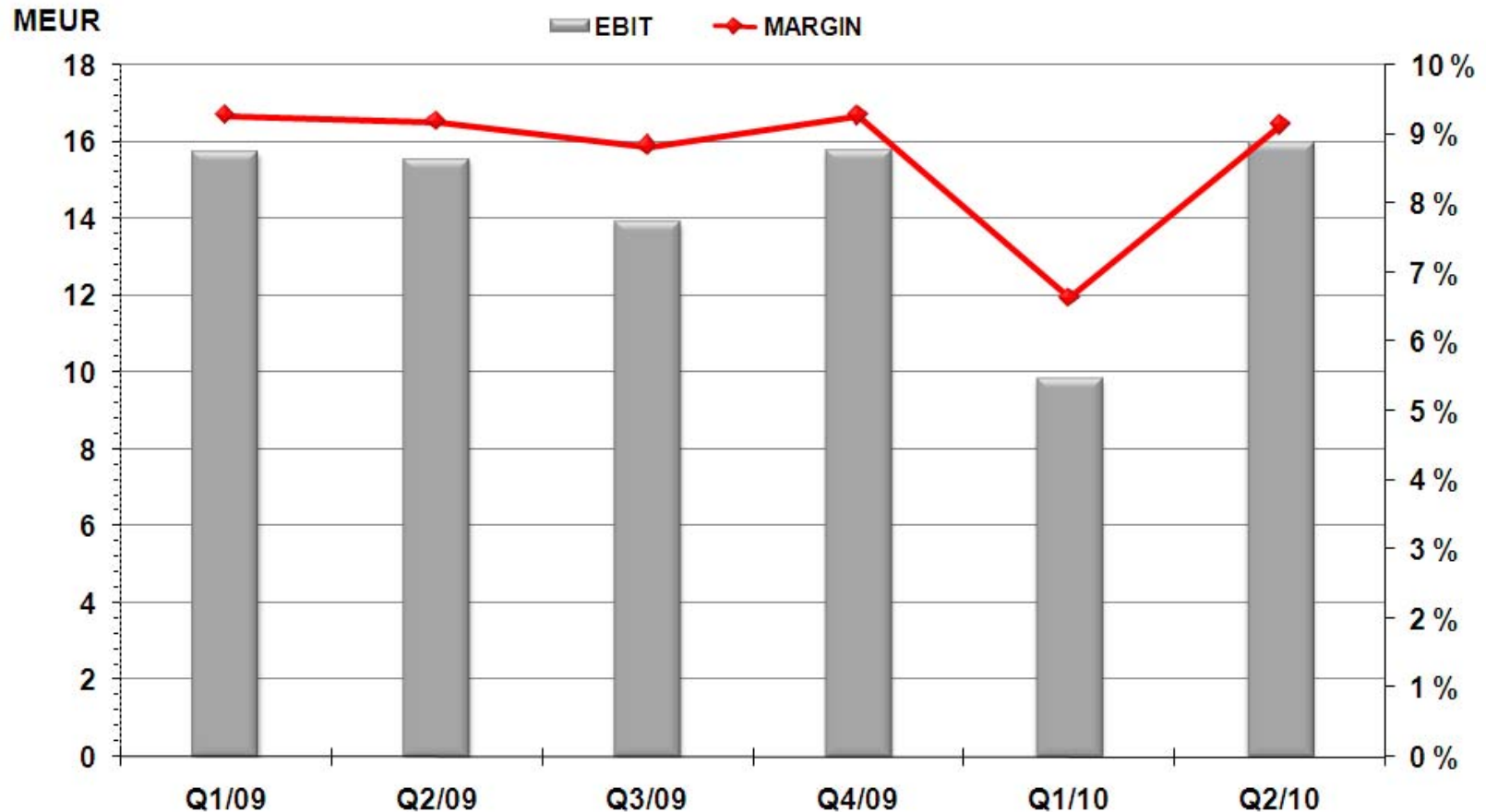
Orders: 159.1 (126.4) MEUR, +25.9% | Net sales: 175.2 (169.5) MEUR, +3.4%



- New orders grew in all geographic regions
- Strength in Modernization and Parts

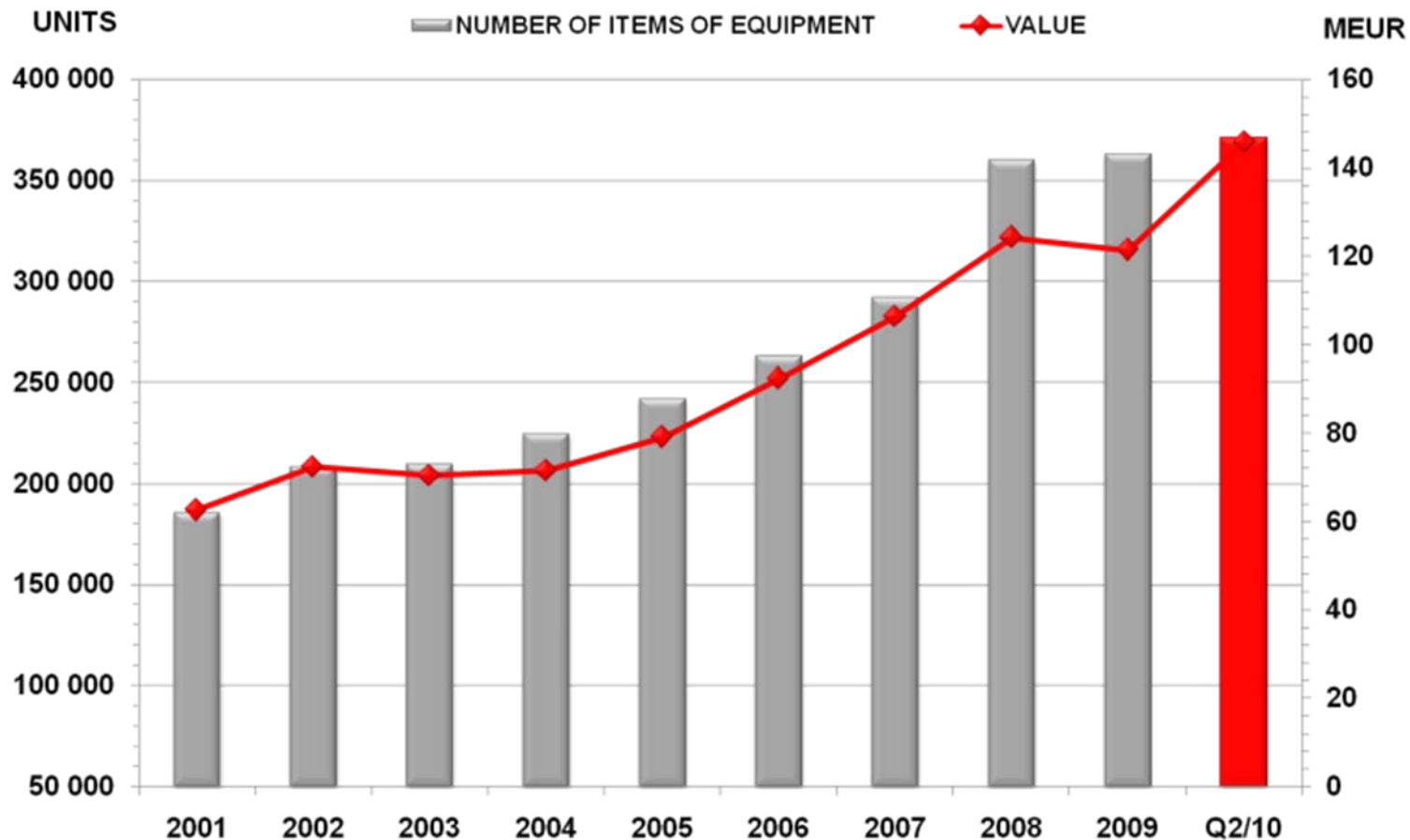
SERVICE: Q2/2010 EBIT AND MARGIN

EBIT: 16.0 (15.5) MEUR | MARGIN: 9.1% (9.2%), excluding restructuring costs



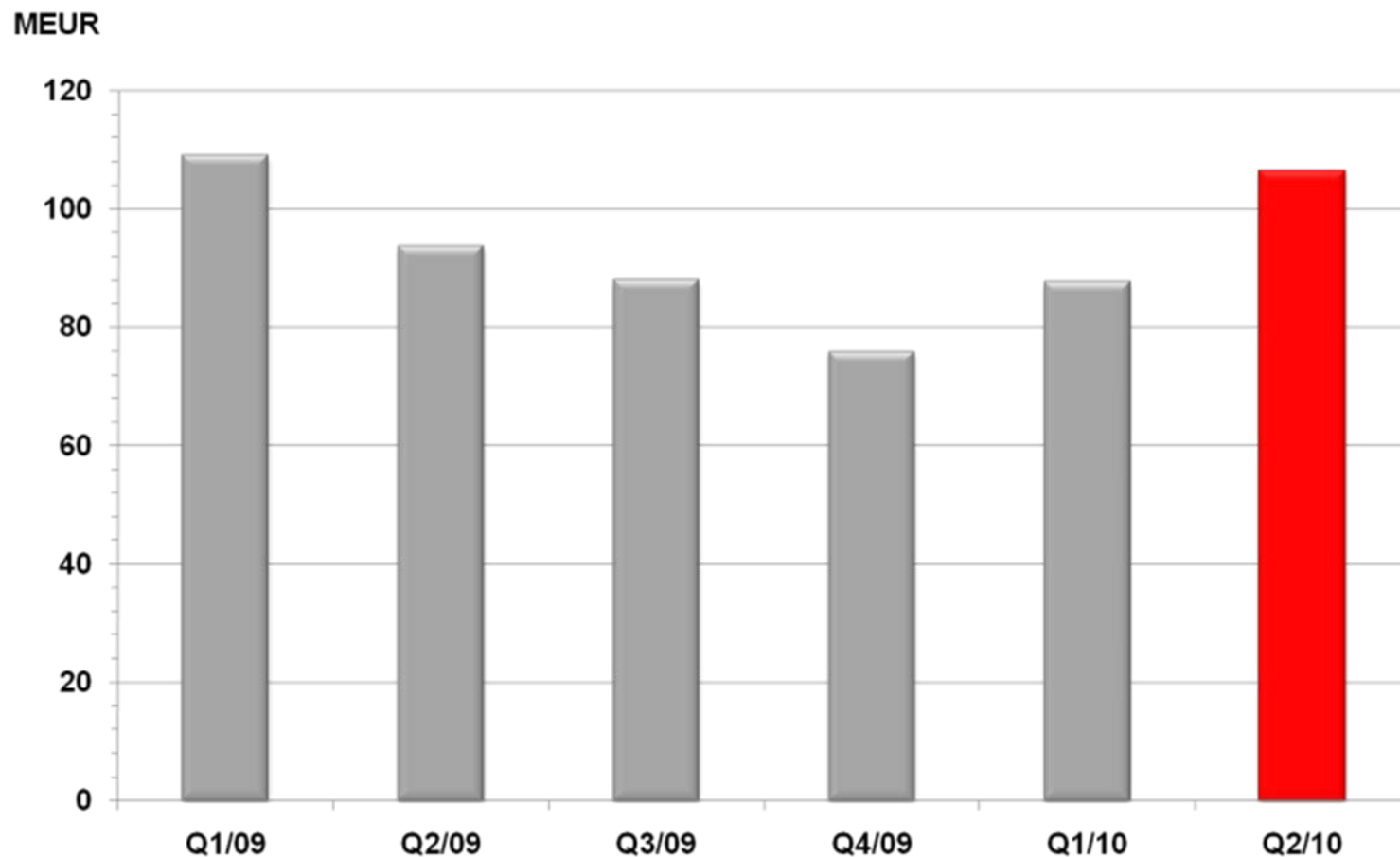
SERVICE CONTRACT BASE June 30, 2010

371 (373) thousand units, -0.6% | annual value 145.7 (124.2) MEUR, +17.3%



SERVICE ORDER BOOK June 30, 2010

106.5 (93.9) MEUR, +13.4%



EQUIPMENT

EQUIPMENT: Q2/2010 ORDERS AND NET SALES

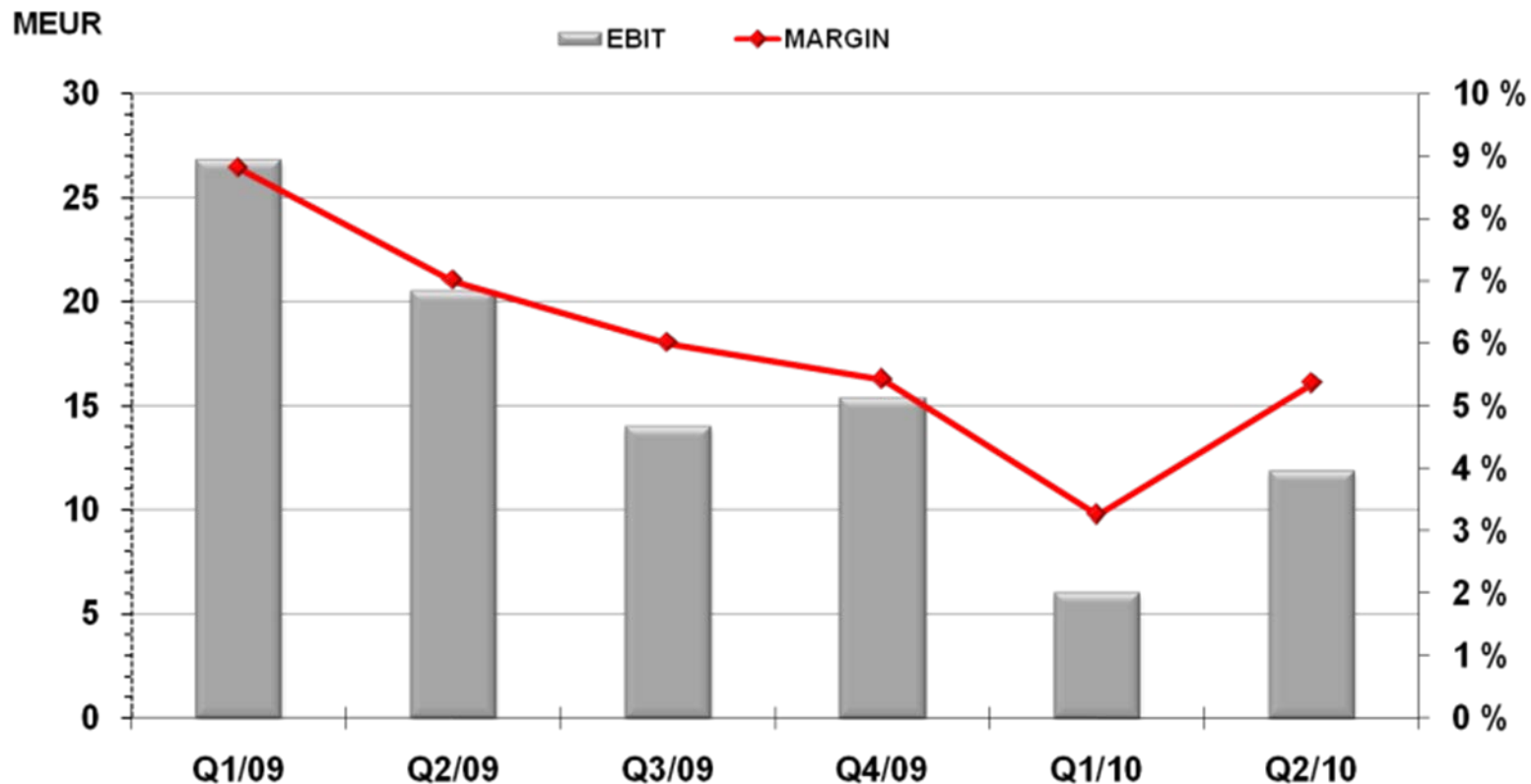
Orders: 219.6 (202.6) MEUR, +8.4% | Net sales: 221.6 (293.0) MEUR, -24.4%



- Order intake rose in Americas and APAC, but fell in EMEA
- New orders increased in all business units except Port Cranes

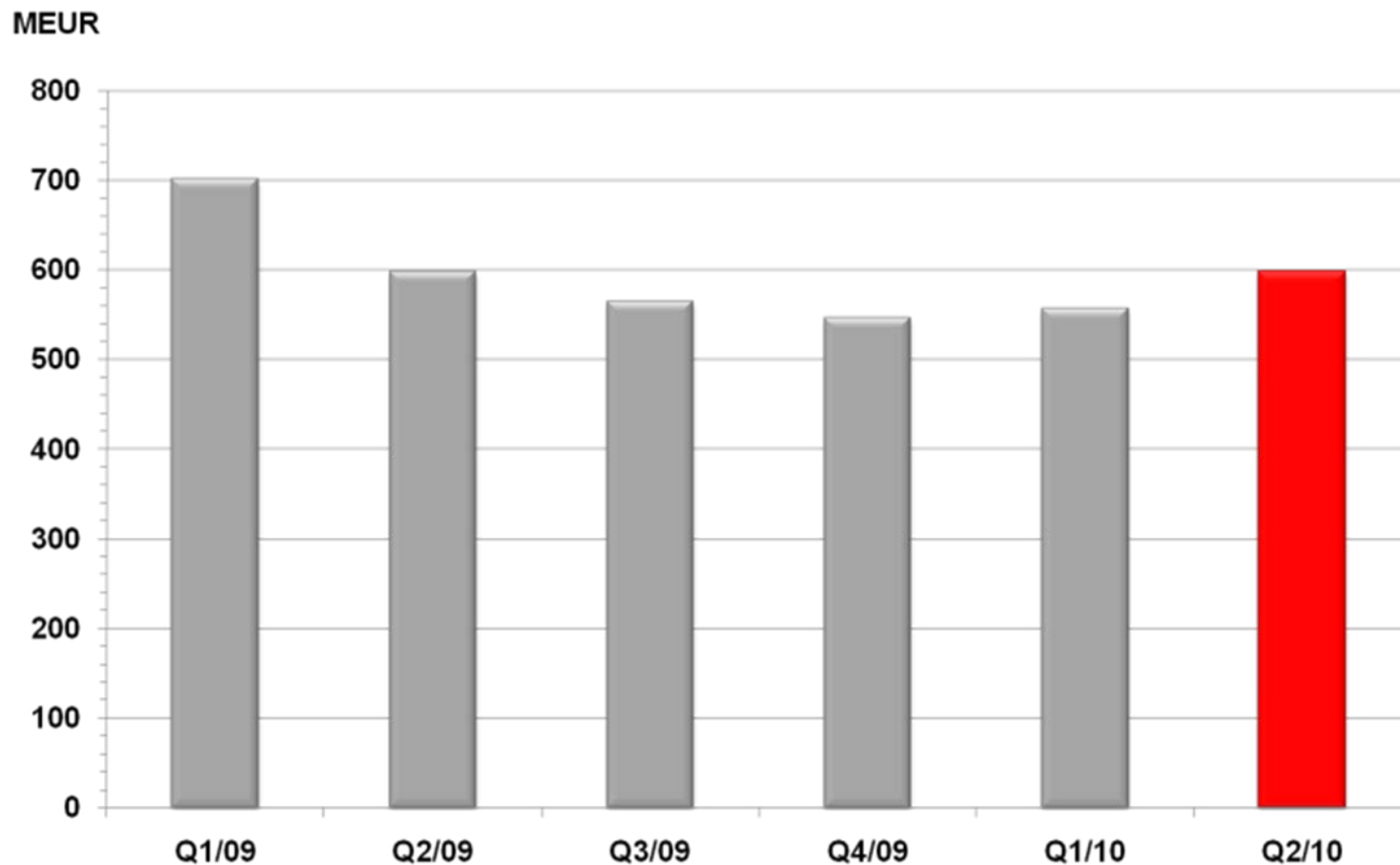
EQUIPMENT: Q2/2010 EBIT AND MARGIN

EBIT: 11.9 (20.5) MEUR | MARGIN: 5.4% (7.0%), excluding restructuring costs



EQUIPMENT ORDER BOOK June 30, 2010

598.3 (599.0) MEUR, -0.1%

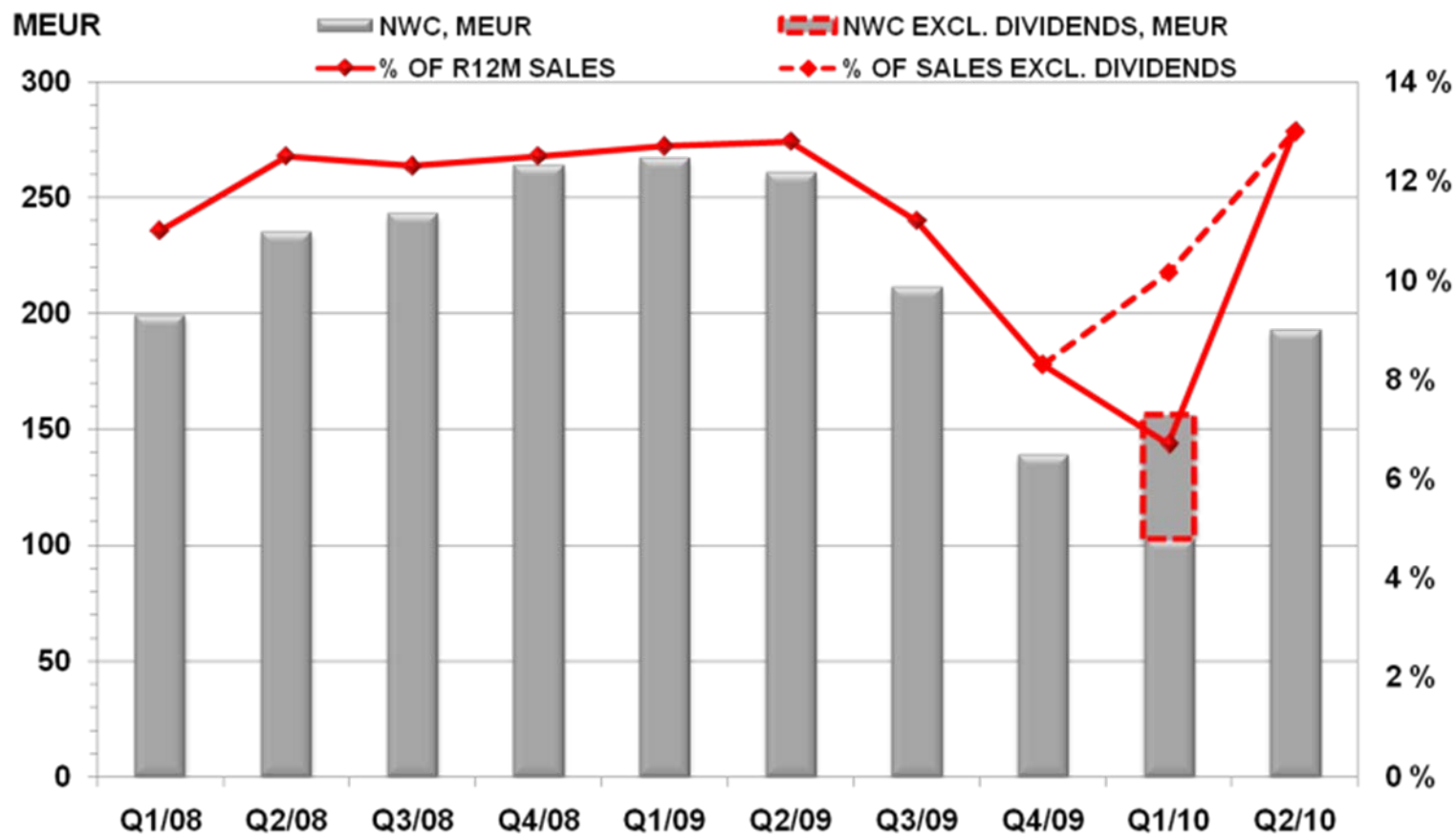


BALANCE SHEET AND CASH FLOW

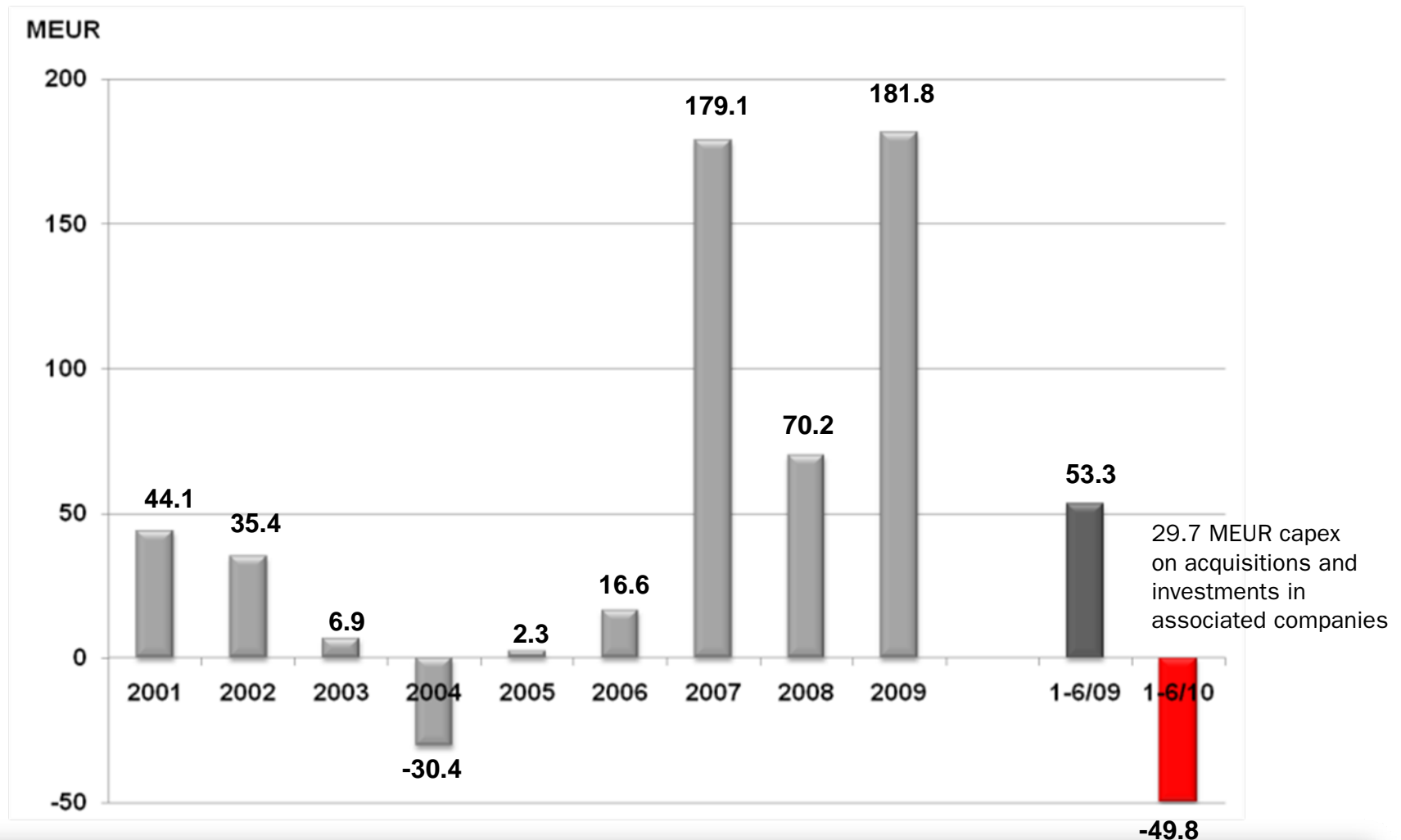


Q2/2010 NET WORKING CAPITAL

193.0 (260.8) MEUR | 13.0% (12.8%) of sales

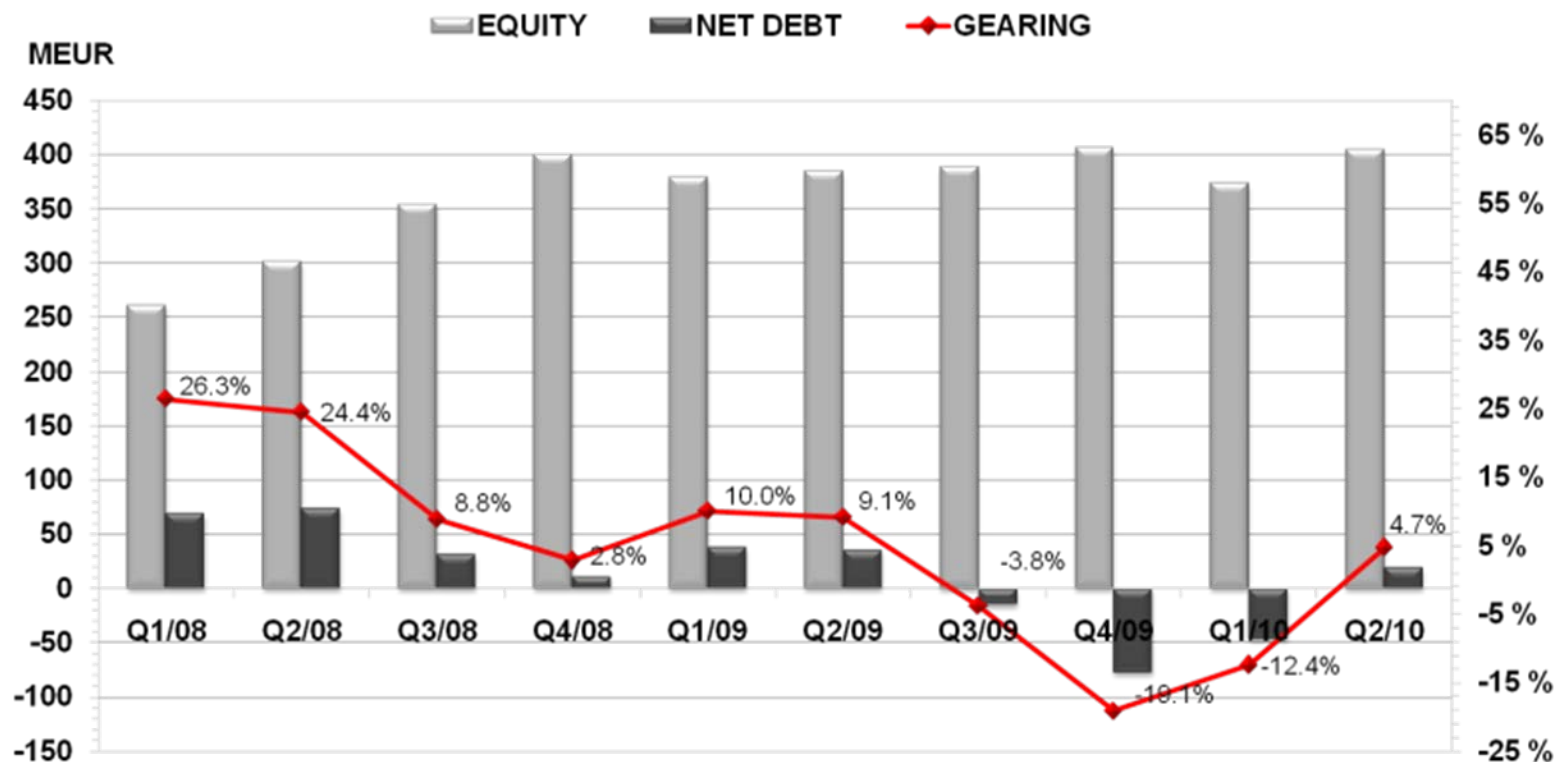


CASH FLOW BEFORE FINANCING ACTIVITIES



Q2/2010 GEARING

Equity: 405.1 (385.4) MEUR | Net debt: 19.0 (35.5) MEUR | Gearing: 4.7% (9.1%)



APPENDIXES

STATEMENT OF INCOME

	Q2 2010 MEUR	Q2 2009 MEUR	% Change
Sales	377.0	431.6	-12.6
Other operating income	0.8	0.8	
Depreciation and impairments	-8.0	-6.5	
Other operating expenses	-349.0	-397.0	
Operating profit	20.7	28.8	-28.1
Share of associates' and joint ventures' result	0.9	-1.4	
Financial income and expenses	-0.9	0.0	
Profit before taxes	20.8	27.4	-24.1
Taxes	-6.2	-7.8	
Net profit for the period	14.5	19.6	-26.0

BALANCE SHEET

MEUR	June 30, 2010	June 30, 2009	MEUR	June 30, 2010	June 30, 2009
Non-current assets	335.7	252.7	Equity	405.1	385.4
Inventories	288.3	322.6	Non-current liabilities	113.2	109.3
Other current assets	426.3	441.3	Provisions	59.3	42.9
Cash and cash equivalents	95.1	96.9	Current liabilities	567.8	575.9
Total assets	1 145.5	1 113.4	Total equity and liabilities	1 145.5	1 113.4

CASH FLOW STATEMENT

MEUR	Q2 2010	Q2 2009
Operating income before change in net working capital	29.2	35.4
Change in net working capital	-23.0	23.6
Financing items and taxes	-12.5	-24.6
Net cash from operating activities	-6.3	34.4
Cash flow from investing activities	-9.0	-8.7
Cash flow before financing activities	-15.3	25.7
Proceeds from options exercised and share issues	0.2	0.6
Related Party net investment to Konecranes Plc shares	0.0	-7.1
Change of interest-bearing debt	34.6	-36.9
Dividends paid to equity holders of the parent	-53.0	0.0
Net cash used in financing activities	-18.2	-43.4
Translation differences in cash	7.6	-1.4
Change of cash and cash equivalents	-26.0	-19.1
Cash and cash equivalents at beginning of period	121.1	116.0
Cash and cash equivalents at end of period	95.1	96.9
Change of cash and cash equivalents	-26.0	-19.1

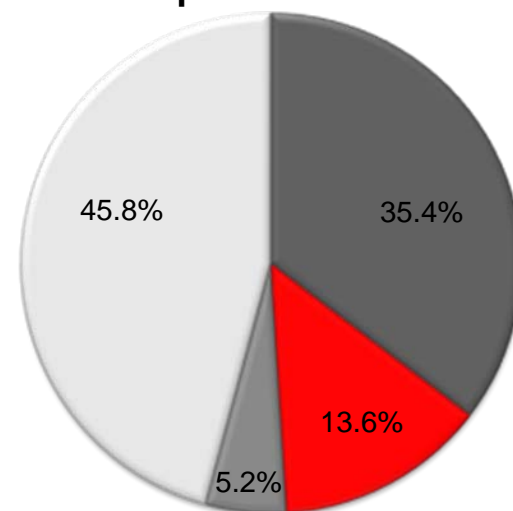
KEY FIGURES

	Q2 2010 MEUR	Q2 2009 MEUR	% Change
Sales	377.0	431.6	-12.6
Operating profit (EBIT), including restructuring costs	20.7	28.8	-28.0
Profit before taxes	20.8	27.4	-24.3
Net profit for the period	14.5	19.6	-25.8
Cash flow from operations before financing items and taxes	36.3	112.4	
Cash flow from operating activities per share (EUR)	-0.10	1.13	
Interest bearing net debt	19.0	35.5	-46.4
Gearing (%)	4.7	9.1	-48.4
Solidity (%)	41.9	41.1	1.9
Return on capital employed (%), (R12M)	12.7	19.3	-34.2
Return on equity (%), (R12M)	10.3	40.8	-74.8
Equity per share (EUR)	6.78	6.51	4.1
Investments total (excl. acquisitions)	9.3	9.6	-3.6
Personnel at end of period	9 570	9 691	-1.2
Personnel on average during the period	9 638	9 820	-1.9

THE LARGEST SHAREHOLDERS

Largest shareholders on June 30, 2010	Nr of shares	% of all shares
1 Htt 2 Holding Oy Ab	6,065,568	9.78%
2 Gustavson Stig, Chairman of the Board of Konecranes	2,036,772	3.29%
3 Varma Mutual Pension Insurance Company	2,005,275	3.23%
4 Nordea Funds	1,535,085	2.48%
5 Nordstjernan Ab	1,380,024	2.23%
6 Ilmarinen Mutual Pension Insurance Company	1,076,978	1.74%
7 Sigrid Juselius Foundation	601,500	0.97%
8 Folkhälsan non-governmental organization svenska Finland rf	535,600	0.86%
9 KCR Management Oy	517,696	0.84%
10 The State Pension Fund	500,000	0.81%
Konecranes' treasury shares	2,530,600	4.08%
Nominee registered shares	28,397,105	45.8%
Other shareholders	14,819,917	23.9%
Total number of shares	62,002,120	100.00%

Market cap > EUR 1 billion



- Finnish companies and organizations
- Finnish households
- Foreign owners
- Nominee registered

Trading information

- Listing: NASDAX OMX Helsinki
- Date of listing: March 27, 1996
- Segment: Large Cap
- Sector: Industrials
- Trading code: KCR1V
- H1/10 average daily trading volume 451,751 shares, EUR 9.9 million

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THANK YOU!

