

INDUSTRIAL CRANES
COMPONENTS
NUCLEAR CRANES
PORT CRANES
LIFTTRUCKS
CRANE SERVICE
MACHINE TOOL SERVICE
PORT SERVICE
MODERNIZATIONS
PARTS

KONECRANES®
Lifting Businesses™

**Continued strong
order intake,
guidance unchanged**

Interim Report January–June 2011

Q2



CONTINUED STRONG ORDER INTAKE, GUIDANCE UNCHANGED

Figures in brackets, unless otherwise stated, refer to the same period a year earlier

Second quarter highlights

- Order intake EUR 452.8 million (364.4), +24.3 percent; Service +17.1 percent and Equipment +34.7 percent.
- Order book EUR 981.0 million (685.2) at end-June, 43.2 percent higher than a year ago, 2.6 percent higher than at end-March 2011.
- Sales EUR 459.5 million (377.0), +21.9 percent; Service +10.8 percent and Equipment +30.4 percent.
- Operating profit EUR 25.1 million (20.7), 5.5 percent of sales (5.5). Comparison period included restructuring costs of EUR 2.7 million.
- Earnings per share (diluted) EUR 0.26 (0.25).
- Net cash flow from operating activities EUR -27.5 million (-6.3).
- Net debt EUR 116.0 million (19.0) and gearing 26.4 percent (4.7).

January–June highlights

- Order intake EUR 963.7 million (684.9), +40.7 percent; Service +18.3 percent and Equipment +58.6 percent.
- Sales EUR 847.3 million (683.3), +24.0 percent; Service +13.0 percent and Equipment +29.9 percent.
- Operating profit EUR 43.6 million (32.3), 5.2 percent of sales (4.7). Comparison period included restructuring costs of EUR 2.7 million.
- Earnings per share (diluted) EUR 0.40 (0.41).
- Net cash flow from operating activities EUR -29.6 million (-5.8).

Market outlook

Forecasting the demand has become more challenging due to the macroeconomic uncertainties caused by the budget deficits and the level of public debt in Europe and the US. Despite the aforesaid, the demand for maintenance services is expected to be above last year's level due to the higher capacity utilization within customer industries. Also, the demand for new equipment is expected to grow compared to last year. However, due to the timing of large port crane projects, the quarterly Equipment order intake may fluctuate significantly.

Financial guidance

We forecast year 2011 sales and operating profit to be higher than in 2010. The increased technology and IT development will add approximately EUR 20 million to our cost base from 2011, while the benefits will follow from 2012 onwards.

KEY FIGURES

	Second quarter			First half year		R12M	2010
	4-6/2011	4-6/2010	Change %	1-6/2011	1-6/2010		
Orders received, MEUR	452.8	364.4	24.3	963.7	684.9	1,814.8	1,536.0
Order book at end of period, MEUR	981.0	685.2	43.2	981.0	685.2		756.2
Sales total, MEUR	459.5	377.0	21.9	847.3	683.3	1,710.3	1,546.3
Operating profit excluding restructuring costs, MEUR	25.1	23.4	7.4	43.6	35.0	123.7	115.1
Operating margin excluding restructuring costs, %	5.5 %	6.2 %		5.2 %	5.1 %	7.2 %	7.4 %
Operating profit including restructuring costs, MEUR	25.1	20.7	21.2	43.6	32.3	123.7	112.4
Operating margin including restructuring costs, %	5.5 %	5.5 %		5.2 %	4.7 %	7.2 %	7.3 %
Profit before taxes, MEUR	22.0	20.8	6.1	33.8	33.2	112.0	111.3
Net profit for the period, MEUR	15.3	14.5	5.5	23.6	23.3	78.5	78.2
Earnings per share, basic, EUR	0.26	0.26	1.4	0.40	0.41	1.34	1.35
Earnings per share, diluted, EUR	0.26	0.25	0.5	0.40	0.41	1.33	1.34
Gearing, %				26.4 %	4.7 %		-3.8 %
Return on capital employed %, Rolling 12 Months (R12M)						21.3 %	24.2 %
Average number of personnel during the period				10,637	9,638		9,739

PRESIDENT AND CEO PEKKA LUNDMARK:

“We can be satisfied with our top line growth and, in particular, with the fact that our order book is now 43.2 percent stronger than a year ago. A tight pricing environment and the cost inflation in combination with our own decisions to increase technology and IT development spending to ensure our competitiveness in the long run is, unfortunately, slowing down the bottom line growth. Increasing prices wherever possible and a tight cost control are clear priorities for us right now.

The ongoing consolidation of our industry took a significant step forward through the acquisition of the majority of Demag

Cranes AG by Terex Corporation. We were of course following the situation very closely, but decided after a thorough assessment not to issue a competing offer. Several factors contributed to this conclusion, including (1) historical performance and a predominantly European asset base that did not, in our view, warrant the required price when the world’s industrial growth is more and more driven by emerging markets, (2) the uncertain economic outlook, especially within the eurozone, and (3) uncertainty over potential antitrust risks.”

KONECRANES PLC JANUARY – JUNE 2011 INTERIM REPORT

Market review

Coupled with continuously accommodative monetary policies and low interest rates, the global economic situation remained generally buoyant in the first half of 2011. However, the GDP growth at the beginning of the year did not quite live up to the expectations in several countries causing downward revisions of economic forecasts.

A sustained concern about the budget deficits and the level of public debt in Europe and the US started to impede the private sector's optimism towards the end of the second quarter. China and India maintained high growth rates, but this meant the increase of inflationary pressures, against which the governments took measures in order to slow down the progress.

Industrial capacity utilization improved both in Europe and the US in the first quarter and approached the level that prevailed before the start of the financial crisis in 2008. However, the US capacity utilization showed signs of stabilization during the second quarter. Having broken multi-year highs in the first quarter, purchasing managers' indexes retreated in the second quarter. Nevertheless, they continued to point to expanding business activity, albeit at slower pace. The aftermath of the Japanese earthquake and soaring oil prices were cited as main reasons for the cool-down.

The demand for new equipment improved as the economic growth has eliminated much of the overcapacity within manufacturing industries. The accelerated decision-making for industrial investments boosted the demand for industrial cranes, in particular. Nevertheless, price competition remained intense. New inquiries from the automotive, general manufacturing, waste-to-energy, mining and paper & pulp sectors increased.

Global container traffic showed further signs of strength as it grew by about 8 percent in the first four months of the year. This resulted in continued high level of project activity with container ports.

The demand for lifting equipment services improved due to the higher capacity utilization in Konecranes' customer industries. New types of services utilizing the latest IT and measurement technologies have proved increasingly attractive.

Earlier commodity price inflation caused an upward pressure on the input costs, particularly on components. Having peaked in the first quarter, steel price eased in the second quarter due the slower economic growth. The EUR appreciated against the USD during the first quarter, but the exchange rate remained fairly unchanged in the second quarter.

Note: Unless otherwise stated, the figures in brackets in the sections below refer to the same period in the previous year.

Orders received

January-June orders received totaled EUR 963.7 million (684.9), representing an increase of 40.7 percent compared with a year ago. Orders received grew by 18.3 percent in Service and by 58.6 percent in Equipment compared to a year before. Orders received increased in all geographic areas. Order growth was strongest in the Americas, followed by Asia-Pacific. Acquisitions contributed about 3 percent to the orders received in January-June.

Second-quarter order intake rose by 24.3 percent from a year ago and totaled EUR 452.8 million (364.4). Order intake increased in Service by 17.1 and in Equipment by 34.7 percent. Similar to the first quarter performance, second quarter orders received increased in all regions. Order growth was highest in the EMEA.

Order book

The value of the order book at end-June totaled EUR 981.0 million. The order book increased by 43.2 percent from last year's comparison figure of EUR 685.2 million and by 2.6 percent from end-March 2011 when it stood at EUR 956.6 million. Service accounted for EUR 144.3 million (15 percent) and Equipment for EUR 836.7 million (85 percent) of the total end-June order book.

Sales

Group sales in January-June increased by 24.0 percent from a year ago and totaled EUR 847.3 million (683.3). Sales in Service rose by 13.0 percent and in Equipment by 29.9 percent. Acquisitions contributed about 4 percent to the sales in the first half of 2011.

Second-quarter sales rose by 21.9 percent from a year ago and totaled EUR 459.5 million (377.0). Sales in Service rose by 10.8 percent and in Equipment by 30.4 percent.

At the end-June the regional breakdown, calculated for a rolling 12 months, was as follows: EMEA 54 (55), Americas 29 (29) and APAC 17 (16) percent.

Net sales by region, MEUR

	4-6/2011	4-6/2010	1-6/2011	1-6/2010	Change % at comparable		R12M	2010
					Change percent	currency rates		
EMEA	248.5	189.9	460.5	362.9	26.9	25.6	920.8	823.2
AME	127.2	123.8	245.8	210.4	16.8	21.2	503.6	468.2
APAC	83.8	63.3	141.1	110.0	28.3	24.8	285.9	254.8
Total	459.5	377.0	847.3	683.3	24.0	24.2	1,710.3	1,546.3

Currency rate effect

In a year-on-year comparison, the currency rates had a small negative effect on orders and sales in January-June. The reported order intake rose by 40.7 percent and by 41.1 percent at comparable currency rates. Reported sales rose by 24.0 percent and by 24.2 percent at comparable currency rates.

The reported order intake rose in Service by 18.3 percent and by 19.1 percent at comparable currency rates. In Equipment, the reported order intake increased by 58.6 percent and by 58.8 percent at comparable currency rates. Reported sales increased in Service by 13.0 percent or by 13.6 percent at comparable currency rates. The corresponding figures in Equipment sales were +29.9 percent and +29.8 percent.

The currency rate differences had a slightly negative impact on the operating margin.

Financial result

The consolidated operating profit in January-June totaled EUR 43.6 million (32.3). Operating profit increased by EUR 11.3 million. The comparison period's second quarter operating profit included EUR 2.7 million restructuring costs. The consolidated operating margin improved to 5.2 percent (4.7). The operating margin in Service declined to 6.0 percent (8.0), whereas in Equipment it rose to 6.0 percent (3.7).

The consolidated operating profit in the second quarter totaled EUR 25.1 million (20.7). The consolidated operating margin in the second quarter remained unchanged at 5.5 percent. The operating margin in Service fell to 6.5 percent (9.1), but it rose in Equipment to 6.2 percent (4.2).

Both business areas benefited from higher volumes compared to last year. However, the operating profit was held back by the higher business development spending related to the technology and IT. Also, sales mix was less favorable than a year ago.

In Service, the costs of expanding the branch network through organic efforts as well as through acquisitions, taxed the operating profit. In addition, product price increases lagged the input cost development in Industrial Cranes and

Lift Trucks, which had an adverse impact on Equipment's operating profit towards the end of the second quarter.

In January-June, depreciation and impairments totaled EUR 17.8 million (15.3). The amortization arising from the purchase price allocations of acquisitions represented EUR 6.9 million of this (3.9).

In January-June, the share of the result of associated companies and joint ventures was EUR 2.5 million (1.1).

Net financial expenses in January-June totaled EUR 12.3 million (0.2). Net interest expenses were EUR 2.7 million (1.2) of this, and the remainder was mainly attributable to unrealized exchange rate differences related to the hedging of future cash flows that are not included in the hedge accounting.

The January-June profit before taxes was EUR 33.8 million (33.2).

Income taxes in January-June were EUR -10.2 million (-9.9). The Group's effective tax rate was 30.2 percent (29.8).

Net profit for January-June was EUR 23.6 million (23.3).

Diluted earnings per share for January-June were EUR 0.40 (0.41).

On a rolling twelve-month basis, return on capital employed was 21.3 percent (12.7) and return on equity 18.6 percent (10.3).

Balance sheet

The consolidated balance sheet, which at end-June 2011 stood at EUR 1,315.8 million, was EUR 170.3 million more than on June 30, 2010. Total equity at the end of the report period was EUR 438.5 million (405.1). Total equity attributable to equity holders of the parent company on June 30 was EUR 433.3 million (399.5) or EUR 7.20 per share (6.78).

From the end-March 2011, net working capital increased by EUR 109.6 million to EUR 232.1 million at the end-June. Net working capital rose due to the dividend payment in April, higher inventories and receivables, as well as lower advances received.

Cash flow and financing

Net cash from operating activities in January-June was EUR -29.6 million (-5.8), representing EUR -0.49 per diluted share (-0.10). Net cash from operations in the second quarter was EUR -27.5 million (-6.3).

Cash flow before financing activities was EUR -90.8 million (-49.8) in January-June. Cash flow before financing activities in the second quarter was EUR -51.7 million (-15.3).

Interest-bearing net debt increased to EUR 116.0 million from EUR 7.0 million at the end-March and from EUR 19.0 million a year ago. Solidity was 37.1 percent (41.9) and gearing 26.4 percent (4.7).

The Group's liquidity remained healthy. At the end of the second quarter, cash and cash equivalents amounted to EUR 93.8 million (95.1). None of the Group's EUR 200 million committed back-up financing facility was in use at the end of the period.

Capital expenditure

January-June capital expenditure, excluding acquisitions and investments in associated companies, amounted to EUR 15.0 million (9.3). This amount consisted of investments in machines, equipment, properties and information technology.

Capital expenditure, including acquisitions and investments in associated companies, was EUR 92.6 million (39.0).

Acquisitions

Capital expenditure on acquisitions and investments in associated companies was EUR 77.7 million (29.7). During January-June, Konecranes made six acquisitions in Chile, India, Austria, Germany, Spain and Saudi Arabia. The net assets of the acquisitions were recorded at EUR 46.1 million and goodwill of EUR 31.5 million was booked from the acquisitions.

In February, Konecranes completed the acquisition of 51 percent of Indian WMI Cranes Ltd. ("WMI"). Upon reception of the required regulatory approvals, WMI was consolidated into Konecranes' financial reporting from February 1, 2011. The acquisition is expected to be slightly EPS accretive in 2011.

Konecranes' acquisition of WMI's shares consists of two phases. In the first phase Konecranes acquired 51 percent of the shares for INR 1,690 million (EUR 28 million). In the second phase, estimated to take place later during 2011, Konecranes will purchase the remaining 49 percent of the shares. The sellers are entitled to a performance linked part of the purchase price and the total maximum price for 100 percent of the shares in WMI can amount to approximately INR 3,600 million.

The acquisition marks an important step in strengthening Konecranes' position on the growing crane market in India. In 2010, WMI's net sales exceeded EUR 30 million and it has strong order book to support further net sales growth in 2011.

In June, Konecranes acquired 100 percent of the Saudi Arabian crane manufacturer Saudi Cranes & Steel Works Factory Company Limited ("Saudi Cranes"). Saudi Cranes is headquartered in Al Jubail Industrial City and the company has approximately 100 employees. Saudi Cranes' core business is the design, manufacturing and sales of industrial cranes. The company previously had a license agreement with Konecranes. Saudi Cranes net sales in 2010 were approximately EUR 17 million. The acquisition creates an excellent base for establishing and developing services in the Saudi Arabian market.

Personnel

In January-June, the Group employed an average of 10,637 people (9,638). On June 30, the headcount was 11,170 (9,570). At end-June, the number of personnel by Business Area were as follows: Service 5,772 employees (4,938), Equipment 5,349 employees (4,583) and Group staff 49 (49). The Group had 5,901 employees (5,431) working in EMEA, 2,470 (2,170) in the Americas and 2,799 (1,969) in the APAC region. Approximately half of the personnel increase came from the acquisitions.

BUSINESS AREAS

Service

	4-6/2011	4-6/2010	1-6/2011	1-6/2010	Change percent	R12M	2010
Orders received, MEUR	186.3	159.1	353.5	298.9	18.3	660.4	605.7
Order book, MEUR	144.3	106.5	144.3	106.5	35.6		103.3
Contract base value, MEUR	151.2	145.7	151.2	145.7	3.8		145.7
Net sales, MEUR	194.2	175.2	365.1	323.2	13.0	749.7	707.8
EBITDA, MEUR	15.1	18.8	26.4	31.1	-15.3	68.4	73.2
EBITDA, %	7.8 %	10.7 %	7.2 %	9.6 %		9.1 %	10.3 %
Depreciation and amortization, MEUR	-2.5	-2.8	-4.6	-5.3	-13.6	-10.0	-10.7
Operating profit (EBIT), MEUR	12.7	16.0	21.8	25.8	-15.7	58.4	62.5
Operating profit (EBIT), %	6.5 %	9.1 %	6.0 %	8.0 %		7.8 %	8.8 %
Restructuring costs, MEUR	0.0	0.0	0.0	0.0		0.0	0.0
Operating profit (EBIT) excluding restructuring costs, MEUR	12.7	16.0	21.8	25.8	-15.7	58.4	62.5
Operating profit (EBIT) excluding restructuring costs, %	6.5 %	9.1 %	6.0 %	8.0 %		7.8 %	8.8 %
Capital employed, MEUR	189.4	151.1	189.4	151.1	25.4		163.3
ROCE%						34.3 %	42.5 %
Capital expenditure, MEUR	2.0	3.2	3.7	4.1	-10.5	10.9	11.3
Personnel at the end of period	5,772	4,938	5,772	4,938	16.9		5,397

January-June orders received totaled EUR 353.5 million (298.9), showing an increase of 18.3 percent. New orders grew in all geographic regions and in all business units. The order book increased by 35.6 percent to EUR 144.3 million (106.5) from a year before and by 14.7 percent from end-March 2011. Sales increased by 13.0 percent to EUR 365.1 million (323.2). Operating profit was EUR 21.8 million (25.8) and the operating margin 6.0 percent (8.0). Operating profit fell due to the higher business development spending related to new services and IT. Also, the costs of expanding the service branch network through organic efforts, as well as through acquisitions, taxed the operating profit.

The second quarter order intake increased by 17.1 percent and totaled EUR 186.3 million (159.1). Similarly to the first quarter, demand grew in all regions and was particularly strong in Modernizations. The demand for spare parts

flattened out following the strong growth last year. Second-quarter sales totaled EUR 194.2 million (175.2), which was 10.8 percent more than a year ago. Second-quarter operating profit was EUR 12.7 million (16.0), and the operating margin 6.5 percent (9.1). The operating profit was held back by the same factors as in the first quarter.

The total number of equipment included in the maintenance contract base amounted to 389,200 at end June, compared with 371,387 a year before, and 381,309 at end-March 2011. The annual value of the contract base increased to EUR 151.2 million from EUR 145.7 million a year before, and from EUR 146.3 million at end-March 2011.

The number of service technicians at end-June was 3,675, which is 503 or 15.9 percent more than at the end of June 2010.

Equipment

	4-6/2011	4-6/2010	1-6/2011	1-6/2010	Change percent	R12M	2010
Orders received, MEUR	295.8	219.6	659.5	415.7	58.6	1,248.7	1,004.9
Order book, MEUR	836.7	598.3	836.7	598.3	39.9		652.9
Net sales, MEUR	288.9	221.6	529.4	407.5	29.9	1,070.5	948.6
EBITDA, MEUR	24.8	14.3	45.3	25.0	81.3	105.1	84.7
EBITDA, %	8.6 %	6.5 %	8.6 %	6.1 %		9.8 %	8.9 %
Depreciation and amortization, MEUR	-6.9	-5.1	-13.4	-9.8	37.1	-23.6	-20.0
Operating profit (EBIT), MEUR	18.0	9.2	32.0	15.3	109.6	81.4	64.7
Operating profit (EBIT), %	6.2 %	4.2 %	6.0 %	3.7 %		7.6 %	6.8 %
Restructuring costs, MEUR	0.0	-2.7	0.0	-2.7		0.0	-2.7
Operating profit (EBIT) excluding restructuring costs, MEUR	18.0	11.9	32.0	17.9	78.4	81.4	67.4
Operating profit (EBIT) excluding restructuring costs, %	6.2 %	5.4 %	6.0 %	4.4 %		7.6 %	7.1 %
Capital employed, MEUR	356.7	234.7	356.7	234.7	52.0		243.1
ROCE%						27.5 %	28.6 %
Capital expenditure, MEUR	8.5	1.9	11.3	5.1	120.0	17.2	11.0
Personnel at the end of period	5,349	4,583	5,349	4,583	16.7		4,600

January-June orders received totaled EUR 659.5 million (415.7), showing an increase of 58.6 percent. Orders grew in all regions. Growth was particularly high in the Americas, which was followed by Asia-Pacific. Orders for Industrial Cranes accounted for approximately 45 percent of the orders received and were higher than a year ago. Components generated approximately 25 percent of the new orders and were above last year's level. The combined orders for the other business units (Nuclear Cranes, Port Cranes and Lift Trucks) amounted to approximately 30 percent of the orders received and were higher than a year ago. The order intake included several large port crane orders in the first quarter.

The order book increased by 39.9 percent from a year ago and by 0.7 percent from the end-March 2011 to EUR 836.7 million (598.3). Sales increased by 29.9 percent to EUR 529.4 million (407.5). The operating profit was EUR 32.0 million (15.3) and the operating margin 6.0 percent (3.7). Operating profit in the second quarter of the comparison period included restructuring costs of EUR 2.7 million.

Profitability improved due to higher volumes, but it was held back by the higher business development spending related to the new products and IT. Also, the sales mix was less favorable than a year ago.

The second quarter order intake rose by 34.7 percent and totaled EUR 295.8 million (219.6). Similarly to the first quarter, orders grew in all regions compared to a year ago. The value of new orders was sequentially higher in all business units except Port Cranes, which did not book major orders during the quarter.

Second-quarter sales totaled EUR 288.9 million (221.6) and were 30.4 percent higher than a year ago. Second-quarter operating profit was EUR 18.0 million (9.2), and the operating margin 6.2 percent (4.2). Operating profit was held back by the same factors as in the first quarter. In addition, product price increases lagged the input cost development in Industrial Cranes and Lift Trucks, which had an adverse impact on the operating profit towards the end of the second quarter.

Group Overheads

Unallocated Group overhead costs and eliminations in the reporting period were EUR –10.1 million (–8.8), representing 1.2 percent of sales (1.3).

Administration

The resolutions of Konecranes Annual General Meeting and Board of Directors' organizing meeting have been published in the stock exchange releases dated March 31, 2011.

Share capital and shares

The company's registered share capital on June 30, 2011 totaled EUR 30.1 million. On June 30, 2011, the number of shares including treasury shares totaled 63,241,427. On June 30, 2011, Konecranes Plc was in the possession of 2,524,760 own shares directly and 517,696 own shares indirectly through KCR Management Oy, which corresponds to 4.8 percent of the total number of shares, and which at that date had a market value of EUR 85.2 million.

A total of 281,007 new shares subscribed in the share issue of Konecranes Plc directed to the shareholders of KCR Management Oy following the share swap announced on December 14, 2010, were entered into the Trade Register on January 13, 2011.

Shares registered under stock option rights

Pursuant to Konecranes Plc's stock option plans, 958,300 new shares were subscribed and registered in the Finnish Trade Register in January–June 2011. As a result of these subscriptions, the total number of Konecranes Plc's shares, including treasury shares, rose to 63,241,427.

The subscription period for the options under the series 2007A stock option plan ended on April 30, 2011. The last lot of the shares subscribed under the 2007A stock option plan was registered in the Finnish Trade Register on May 25, 2011.

The stock options issued under Konecranes Plc's ongoing stock option plans (2007 and 2009) at end-June 2011 entitle the holders to subscribe to a total of 3,168,700 shares, which would increase the total number of Konecranes Plc's shares, including treasury shares, to 66,410,127. The option programs include approximately 220 key persons.

All shares carry one vote per share and equal rights to dividends.

The terms and conditions of the stock option programs are available on Konecranes' website at www.konecranes.com.

Market capitalization and trading volume

The closing price for Konecranes Plc's shares on the NASDAQ OMX Helsinki on June 30, 2011 was EUR 28.02. The volume-weighted average share price in January–June 2011 was EUR 30.68, the highest price being EUR 34.17 in February and the lowest EUR 25.20 in June. In January–June, the trading volume on the NASDAQ OMX Helsinki totaled 50.4 million Konecranes Plc's shares, corresponding to a turnover of approximately EUR 1,545 million. The average daily trading volume was 406,105 shares, representing an average daily turnover of EUR 12.5 million.

On June 30, 2011, the total market capitalization of Konecranes Plc's shares was EUR 1,772 million including treasury shares. The market capitalization was EUR 1,687 million excluding the treasury shares.

Flagging notifications

On January 5, 2011, BlackRock, Inc. informed Konecranes that their holding had exceeded 10 percent. BlackRock Inc. held 6,441,109 shares in Konecranes Plc on January 4. The holding corresponds to 10.39 percent of Konecranes Plc's shares and votes.

On January 13, 2011, HTT 2 Holding Oy Ab informed Konecranes that their holding had decreased below 10 percent. HTT 2 Holding Oy Ab held 6,215,568 shares in Konecranes Plc on January 13, 2011, which is 9.98 percent of Konecranes Plc's shares and votes. K. Hartwall Invest Oy Ab, Fyrklöver-Invest Oy Ab and Ronnas Invest AG, who will in practice cooperate with HTT 2 Holding Oy Ab in matters concerning their ownership in Konecranes Plc, held 6,347,968 shares on January 13, 2011, which is 10.19 percent of the shares and votes in Konecranes Plc.

On January 14, 2011, HTT 2 Holding Oy Ab informed Konecranes that their holding had exceeded 10 percent. HTT 2 Holding Oy Ab held 6,230,568 shares in Konecranes Plc on January 14, 2011, which is 10.00 percent of Konecranes Plc's shares and votes. K. Hartwall Invest Oy Ab, Fyrklöver-Invest Oy Ab and Ronnas Invest AG, who will in practice cooperate with HTT 2 Holding Oy Ab in matters concerning their ownership in Konecranes Plc, held 6,362,968 shares on January 14, 2011, which is 10.22 percent of the shares and votes in Konecranes Plc.

On March 4, 2011, Konecranes received a disclosure according to which, the holding of BlackRock, Inc. in Konecranes Plc had decreased below 10 percent. BlackRock, Inc. held 6,121,545 Konecranes Plc's shares on March 3,

2011, which is 9.83 percent of Konecranes Plc's shares and votes.

On March 8, 2011, Konecranes received a disclosure according to which the holding of BlackRock, Inc. in Konecranes Plc had exceeded 10 percent. BlackRock, Inc. held 6,362,798 Konecranes Plc's shares on March 7, 2011, which is 10.21 percent of Konecranes Plc's shares and votes.

On March 9, 2011, Konecranes received a disclosure according to which, the holding of BlackRock, Inc. in Konecranes Plc had decreased below 10 percent. BlackRock, Inc. held 6,093,644 Konecranes Plc's shares on March 8, 2011, which is 9.78 percent of Konecranes Plc's shares and votes.

Risks and uncertainties

Principal short-term risks and uncertainties of the Group derive from a possible renewed downturn in the world economy, due, for example, to the sovereign credit crisis. A decrease in demand for Konecranes' products and services may have a negative effect on the Group's pricing power and result in decrease in profits, a possible impairment of goodwill and other assets, or inventory obsolescence.

The economic growth has had an inflationary impact on the raw material prices, which may have an effect on Konecranes' profits, if product sales prices could not be correspondingly adjusted due, for example, to intense competition. In addition to Konecranes' own assembly operations, the lack of raw materials and components may cause bottlenecks, which may consequently result in delays of deliveries and increased costs.

The upheaval in North Africa and the Middle East might increase the risk of order and delivery postponements. Konecranes strives to mitigate the risk of possible order cancellations by receiving advance payments. Konecranes generated net sales of less than EUR 100 million from North Africa and Middle East in 2010.

Group's other risks have remained unchanged and the pivotal risks are presented in the Annual Report 2010.

Market outlook

Forecasting the demand has become more challenging due to the macroeconomic uncertainties caused by the budget deficits and the level of public debt in Europe and the US. Despite the aforesaid, the demand for maintenance services is expected to be above last year's level due to the higher capacity utilization within customer industries. Also, the demand for new equipment is expected to grow compared

to last year. However, due to the timing of large port crane projects, the quarterly Equipment order intake may fluctuate significantly.

Financial guidance

We forecast year 2011 sales and operating profit to be higher than in 2010. The increased technology and IT development will add approximately EUR 20 million to our cost base from 2011, while the benefits will follow from 2012 onwards.

Helsinki, July 21, 2011
Konecranes Plc
Board of Directors

Disclaimer

It should be noted that certain statements in this report, which are not historical facts, including, without limitation, those regarding

- expectations for general economic development and market situation,
- expectations for general developments in the industry,
- expectations regarding customer industry profitability and investment willingness,
- expectations for company growth, development and profitability,
- expectations regarding market demand for the company's products and services,
- expectations regarding the successful completion of acquisitions on a timely basis and our ability to achieve the set targets and synergies,
- expectations regarding competitive conditions,
- expectations regarding cost savings,
- and statements preceded by "believes," "expects," "anticipates," "foresees" or similar expressions, are forward-looking statements. These statements are based on current expectations, decisions and plans and currently known facts. Therefore, they involve risks and uncertainties, which may cause actual results to materially differ from the results currently expected by the company. Such factors include, but are not limited to,
- general economic conditions, including fluctuations in exchange rates and interest levels,
- the competitive situation, especially significant products or services developed by our competitors,
- industry conditions,
- the company's own operating factors, including the success of production, product development, project management, quality, and timely delivery of our products and services and their continuous development,
- the success of pending and future acquisitions and restructurings.

SUMMARY FINANCIAL STATEMENTS AND NOTES

Accounting principles

The presented financial information is prepared in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the EU.

To hedge sales cash flows for certain large crane projects Konecranes applies hedge accounting compatible with IAS 39. From the beginning of 2011 the Group applies hedge accounting also to purchases related to large crane projects. Currently only USD-denominated projects are included in the hedge accounting. Otherwise Konecranes applies the same

accounting policies as were applied in the 2010 annual financial statements. The year 2011 new and amended IFRS standards have immaterial impact on future financial statements.

The figures presented in the tables below have been rounded to one decimal, which should be taken into account when reading the sum figures.

The numbers stated in this bulletin have not been subject to audit.

Consolidated statement of income

EUR million	4-6/2011	4-6/2010	1-6/2011	1-6/2010	Change %	1-12/2010
Sales	459.5	377.0	847.3	683.3	24.0	1,546.3
Other operating income	0.8	0.8	1.4	1.6		3.6
Depreciation and impairments	-9.2	-8.0	-17.8	-15.3		-31.1
Other operating expenses	-426.0	-349.0	-787.3	-637.3		-1,406.3
Operating profit	25.1	20.7	43.6	32.3	35.1	112.4
Share of associates' and joint ventures' result	1.9	0.9	2.5	1.1		2.5
Financial income and expenses	-4.9	-0.9	-12.3	-0.2		-3.6
Profit before taxes	22.0	20.8	33.8	33.2	2.0	111.3
Taxes	-6.7	-6.2	-10.2	-9.9		-33.1
NET PROFIT FOR THE PERIOD	15.3	14.5	23.6	23.3	1.4	78.2
Net profit for the period attributable to:						
Shareholders of the parent company	15.5	15.1	24.0	24.0		79.4
Non-controlling interest	-0.1	-0.5	-0.4	-0.7		-1.2
Earnings per share, basic (EUR)	0.26	0.26	0.40	0.41	-1.3	1.35
Earnings per share, diluted (EUR)	0.26	0.25	0.40	0.41	-2.1	1.34

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR million	4-6/2011	4-6/2010	1-6/2011	1-6/2010	Change %	1-12/2010
Net profit for the period	15.3	14.5	23.6	23.3	1.4	78.2
Other comprehensive income for the period, net of tax						
Exchange differences on translating foreign operations	0.0	17.2	-12.1	29.0		19.4
Cash flow hedges	1.2	-2.2	5.8	-6.3		-2.4
Income tax relating to components of other comprehensive income	-0.4	0.6	-1.5	1.6		0.6
Other comprehensive income for the period, net of tax	0.8	15.6	-7.9	24.4		17.6
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	16.2	30.1	15.8	47.7	-67.0	95.8
Total comprehensive income attributable to:						
Shareholders of the parent company	16.2	30.5	16.3	47.9		96.6
Non-controlling interest	-0.1	-0.4	-0.6	-0.3		-0.8

CONSOLIDATED BALANCE SHEET

EUR million

ASSETS	30.6.2011	30.6.2010	31.12.2010
Non-current assets			
Goodwill	115.1	73.9	84.4
Intangible assets	89.8	65.3	68.3
Property, plant and equipment	113.5	99.4	99.1
Advance payments and construction in progress	24.8	15.9	19.0
Investments accounted for using the equity method	34.4	32.8	31.9
Available-for-sale investments	1.4	1.6	1.4
Long-term loans receivable	0.5	3.0	0.3
Deferred tax assets	39.4	43.7	40.7
Total non-current assets	418.8	335.7	345.2
Current assets			
Inventories			
Raw material and semi-manufactured goods	141.0	120.5	120.6
Work in progress	161.6	156.7	139.0
Advance payments	14.1	11.1	10.3
Total inventories	316.6	288.3	269.9
Accounts receivable	351.4	263.6	315.8
Loans receivable	0.7	2.6	1.8
Other receivables	19.3	27.2	28.8
Deferred assets	115.1	132.9	115.6
Cash and cash equivalents	93.8	95.1	98.5
Total current assets	897.0	809.8	830.3
TOTAL ASSETS	1,315.8	1,145.5	1,175.5

CONSOLIDATED BALANCE SHEET

EUR million

EQUITY AND LIABILITIES	30.6.2011	30.6.2010	31.12.2010
Equity attributable to equity holders of the parent company			
Share capital	30.1	30.1	30.1
Share premium account	39.3	39.3	39.3
Share issue	0.0	0.0	8.7
Fair value reserves	4.8	-2.3	0.5
Translation difference	-11.4	10.2	0.5
Paid in capital	43.7	10.3	10.5
Retained earnings	302.9	288.0	281.4
Net profit for the period	24.0	24.0	79.4
Total equity attributable to equity holders of the parent company	433.3	399.5	450.5
Non-controlling interest	5.2	5.6	5.7
Total equity	438.5	405.1	456.2
Liabilities			
Non-current liabilities			
Interest-bearing liabilities	31.9	38.1	32.9
Other long-term liabilities	56.5	57.9	57.0
Deferred tax liabilities	27.2	17.2	18.1
Total non-current liabilities	115.6	113.2	107.9
Provisions	46.5	59.3	50.1
Current liabilities			
Interest-bearing liabilities	179.1	81.7	50.2
Advance payments received	134.6	178.4	154.0
Progress billings	13.5	11.7	24.9
Accounts payable	126.5	87.7	117.2
Other short-term liabilities (non-interest bearing)	53.7	17.5	23.2
Accruals	207.8	190.8	191.7
Total current liabilities	715.1	567.8	561.2
Total liabilities	877.3	740.4	719.2
TOTAL EQUITY AND LIABILITIES	1,315.8	1,145.5	1,175.5

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Equity attributable to equity holders of the parent company

EUR million	Share capital	Share premium account	Share issue	Cash flow hedge	Translation difference
Balance at 1 January, 2011	30.1	39.3	8.7	0.5	0.5
Options exercised					
Share issue			-8.7		
Dividends paid to equity holders					
Share based payments recognized against equity					
Total comprehensive income				4.3	-11.9
Balance at 30 June, 2011	30.1	39.3	0.0	4.8	-11.4
Balance at 1 January, 2010	30.1	39.3	0.0	2.3	-18.4
Options exercised					
Share issue					
Dividends paid to equity holders					
Share based payments recognized against equity					
Business combinations					
Total comprehensive income				-4.7	28.6
Balance at 30 June, 2010	30.1	39.3	0.0	-2.3	10.2

Equity attributable to equity holders of the parent company

EUR million	Paid in capital	Retained earnings	Total	Non-controlling interest	Total equity
Balance at 1 January, 2011	10.5	360.8	450.5	5.7	456.2
Options exercised	24.6		24.6		24.6
Share issue	8.6		-0.1		-0.1
Dividends paid to equity holders		-60.0	-60.0		-60.0
Share based payments recognized against equity		2.1	2.1		2.1
Total comprehensive income		24.0	16.3	-0.6	15.8
Balance at 30 June, 2011	43.7	326.9	433.3	5.2	438.5
Balance at 1 January, 2010	9.0	340.2	402.5	4.6	407.1
Options exercised	1.3		1.3		1.3
Share issue			0.0		0.0
Dividends paid to equity holders		-53.5	-53.5	0.5	-53.0
Share based payments recognized against equity		1.8	1.8		1.8
Business combinations		-0.6	-0.6	0.8	0.2
Total comprehensive income		24.0	47.9	-0.3	47.7
Balance at 30 June, 2010	10.3	312.0	399.5	5.6	405.1

CONSOLIDATED CASH FLOW STATEMENT

EUR million	1-6/2011	1-6/2010	1-12/2010
Cash flow from operating activities			
Net income	23.6	23.3	78.2
Adjustments to net income			
Taxes	10.2	9.9	33.1
Financial income and expenses	12.5	0.4	3.8
Share of associates' and joint ventures' result	-2.5	-1.1	-2.5
Dividend income	-0.2	-0.2	-0.2
Depreciation and impairments	17.8	15.3	31.1
Profits and losses on sale of fixed assets	0.0	0.0	-0.6
Other adjustments	1.3	0.9	0.6
Operating income before change in net working capital	62.7	48.5	143.5
Change in interest-free short-term receivables	-3.7	5.9	-49.7
Change in inventories	-35.8	-20.3	-7.2
Change in interest-free short-term liabilities	-19.4	2.2	10.8
Change in net working capital	-59.0	-12.2	-46.1
Cash flow from operations before financing items and taxes	3.7	36.3	97.4
Interest received	3.0	1.4	2.1
Interest paid	-4.8	-2.2	-5.8
Other financial income and expenses	-6.0	-6.1	-5.0
Income taxes paid	-25.5	-35.2	-31.3
Financing items and taxes	-33.4	-42.1	-40.0
Net cash from operating activities	-29.6	-5.8	57.4
Cash flow from investing activities			
Acquisition of Group companies, net of cash	-40.9	-5.2	-11.5
Divestment of Group companies, net of cash	0.0	0.0	0.9
Acquisition of shares in associated companies	0.0	-27.0	-27.0
Capital expenditures	-20.8	-12.9	-29.2
Proceeds from sale of fixed assets	0.3	0.9	1.6
Dividends received	0.2	0.2	0.2
Net cash used in investing activities	-61.2	-44.0	-65.0
Cash flow before financing activities	-90.8	-49.8	-7.5
Cash flow from financing activities			
Proceeds from options exercised and share issues	24.5	1.1	1.2
Proceeds from long-term borrowings	1.0	0.0	0.3
Repayments of long-term borrowings	-1.9	-1.9	-8.4
Proceeds from (+), payments of (-) short-term borrowings	125.6	46.1	17.7
Change in long-term receivables	-0.2	-0.3	1.4
Change in short-term receivables	1.0	0.8	0.0
Dividends paid to equity holders of the parent	-60.0	-53.0	-53.0
Net cash used in financing activities	89.9	-7.3	-40.8
Translation differences in cash	-3.8	14.7	9.3
Change of cash and cash equivalents	-4.6	-42.4	-39.1
Cash and cash equivalents at beginning of period	98.5	137.5	137.5
Cash and cash equivalents at end of period	93.8	95.1	98.5
Change of cash and cash equivalents	-4.6	-42.4	-39.1

The effect of changes in exchange rates has been eliminated by converting the beginning balance at the rates current on the last day of the reporting period.

SEGMENT INFORMATION

1. BUSINESS SEGMENTS

EUR million

Orders received by Business Area	1-6/2011	% of total	1-6/2010	% of total	1-12/2010	% of total
Service ¹⁾	353.5	35	298.9	42	605.7	38
Equipment	659.5	65	415.7	58	1,004.9	62
./. Internal	-49.4		-29.7		-74.6	
Total	963.7	100	684.9	100	1,536.0	100

1) Excl. Service Contract Base

Order book total ²⁾	30.6.2011	% of total	30.6.2010	% of total	31.12.2010	% of total
Service	144.3	15	106.5	15	103.3	14
Equipment	836.7	85	598.3	85	652.9	86
./. Internal	0.0		-19.5		0.0	
Total	981.0	100	685.2	100	756.2	100

2) Percentage of completion deducted

Sales by Business Area	1-6/2011	% of total	1-6/2010	% of total	1-12/2010	% of total
Service	365.1	41	323.2	44	707.8	43
Equipment	529.4	59	407.5	56	948.6	57
./. Internal	-47.2		-47.4		-110.1	
Total	847.3	100	683.3	100	1,546.3	100

Operating profit (EBIT) by Business Area excluding restructuring costs	1-6/2011		1-6/2010		1-12/2010	
	MEUR	EBIT %	MEUR	EBIT %	MEUR	EBIT %
Service	21.8	6.0	25.8	8.0	62.5	8.8
Equipment	32.0	6.0	17.9	4.4	67.4	7.1
Group costs and eliminations	-10.1		-8.8		-14.8	
Total	43.6	5.2	35.0	5.1	115.1	7.4

Operating profit (EBIT) by Business Area including restructuring costs	1-6/2011		1-6/2010		1-12/2010	
	MEUR	EBIT %	MEUR	EBIT %	MEUR	EBIT %
Service	21.8	6.0	25.8	8.0	62.5	8.8
Equipment	32.0	6.0	15.3	3.7	64.7	6.8
Group costs and eliminations	-10.1		-8.8		-14.8	
Total	43.6	5.2	32.3	4.7	112.4	7.3

Capital Employed and ROCE%	30.6.2011		30.6.2010		31.12.2010	
	MEUR		MEUR		MEUR	ROCE %
Service	189.4		151.1		163.3	42.5
Equipment	356.7		234.7		243.1	28.6
Unallocated Capital Employed	103.4		139.2		132.9	
Total	649.5		524.9		539.3	24.2

Personnel by Business Area (at the end of the period)	30.6.2011	% of total	30.6.2010	% of total	31.12.2010	% of total
Service	5,772	52	4,938	52	5,397	54
Equipment	5,349	48	4,583	48	4,600	46
Group staff	49	0	49	1	45	0
Total	11,170	100	9,570	100	10,042	100

SEGMENT INFORMATION

2. GEOGRAPHICAL SEGMENTS

EUR million

Sales by market	1-6/2011	% of total	1-6/2010	% of total	1-12/2010	% of total
Europe-Middle East-Africa (EMEA)	460.5	54	362.9	53	823.2	53
Americas (AME)	245.8	29	210.4	31	468.2	30
Asia-Pacific (APAC)	141.1	17	110.0	16	254.8	16
Total	847.3	100	683.3	100	1,546.3	100

Personnel by region

(at the end of the period)	30.6.2011	% of total	30.6.2010	% of total	31.12.2010	% of total
Europe-Middle East-Africa (EMEA)	5,901	53	5,431	57	5,751	57
Americas (AME)	2,470	22	2,170	23	2,259	22
Asia-Pacific (APAC)	2,799	25	1,969	21	2,032	20
Total	11,170	100	9,570	100	10,042	100

NOTES

KEY FIGURES	30.6.2011	30.6.2010	Change %	31.12.2010
Earnings per share, basic (EUR)	0.40	0.41	-1.3	1.35
Earnings per share, diluted (EUR)	0.40	0.41	-2.1	1.34
Return on capital employed %, Rolling 12 Months (R12M)	21.3	12.7	67.7	24.2
Return on equity %, Rolling 12 Months (R12M)	18.6	10.3	80.6	18.1
Equity per share (EUR)	7.20	6.78	6.2	7.64
Current ratio	1.2	1.3	-7.7	1.4
Gearing %	26.4	4.7	461.7	-3.8
Solidity %	37.1	41.9	-11.5	44.7
EBITDA, EUR million	61.4	47.6	29.0	143.6
Investments total (excl. acquisitions), EUR million	15.0	9.3	61.0	22.3
Interest-bearing net debt, EUR million	116.0	19.0	509.9	-17.4
Net working capital, EUR million	232.1	193.0	20.2	191.6
Average number of personnel during the period	10,637	9,638	10.4	9,739
Average number of shares outstanding, basic	59,677,622	58,885,076	1.3	58,922,329
Average number of shares outstanding, diluted	60,471,120	59,171,039	2.2	59,274,012
Number of shares outstanding	60,198,971	58,953,824	2.1	58,959,664

The period end exchange rates*:	23.6.2011	24.6.2010	Change %	31.12.2010
USD - US dollar	1.421	1.226	-13.7	1.336
CAD - Canadian dollar	1.385	1.281	-7.5	1.332
GBP - Pound sterling	0.890	0.819	-8.0	0.861
CNY - Chinese yuan	9.192	8.338	-9.3	8.822
SGD - Singapore dollar	1.758	1.709	-2.8	1.714
SEK - Swedish krona	9.165	9.574	4.5	8.966
NOK - Norwegian krone	7.803	7.978	2.2	7.800
AUD - Australian dollar	1.352	1.418	4.8	1.314

The period average exchange rates*:	23.6.2011	24.6.2010	Change %	31.12.2010
USD - US dollar	1.403	1.330	-5.2	1.326
CAD - Canadian dollar	1.370	1.375	0.4	1.366
GBP - Pound sterling	0.867	0.872	0.5	0.858
CNY - Chinese yuan	9.176	9.078	-1.1	8.973
SGD - Singapore dollar	1.766	1.858	5.2	1.806
SEK - Swedish krona	8.929	9.796	9.7	9.539
NOK - Norwegian krone	7.827	8.008	2.3	8.006
AUD - Australian dollar	1.359	1.487	9.4	1.443

*Konecranes applies a weekly calendar in its financial reporting. The presented exchange rates are determined by rates on the last Friday of the period.

NOTES

CONTINGENT LIABILITIES AND PLEDGED ASSETS

EUR million	30.6.2011	30.6.2010	31.12.2010
For own commercial obligations			
Guarantees	326.9	365.2	347.2
Leasing liabilities			
Next year	28.2	30.4	30.3
Later on	63.9	69.8	69.7
Other	0.0	0.1	0.1
Total	419.0	465.5	447.3

Leasing contracts comply with normal practices in the countries concerned.

Contingent liabilities relating to litigation

Various legal actions, claims and other proceedings are pending against the Group in various countries. These actions, claims and other proceedings are typical for this industry and consistent with a global business offering that encompasses a wide range of products and services. These matters involve contractual disputes, warranty claims, product liability (including design defects, manufacturing defects, failure to warn and asbestos legacy), employment, vehicles and other matters involving claims of general liability.

While the final outcome of these matters cannot be predicted with certainty Konecranes is of the opinion, based on the information available to date and considering the grounds presented for such claims, the available insurance coverage and the reserves made, that the outcome of such actions, claims and other proceedings, if unfavorable, would not have a material, adverse impact on the financial condition of the Group.

NOMINAL AND FAIR VALUES OF DERIVATIVE FINANCIAL INSTRUMENTS

EUR million	30.6.2011	30.6.2011	30.6.2010	30.6.2010	31.12.2010	31.12.2010
	Nominal value	Fair value	Nominal value	Fair value	Nominal value	Fair value
Foreign exchange forward contracts	403.1	4.2	202.4	-5.4	397.2	2.1
Electricity derivatives	2.2	0.1	2.0	0.0	2.4	0.4
Total	405.3	4.3	204.4	-5.4	399.6	2.5

Derivatives are used for hedging currency and interest rate risks, as well as the risk of electricity price fluctuations. The Company applies hedge accounting on the derivatives used to hedge cash flows in large projects in Business Area Equipment.

NOTES

ACQUISITIONS

On October 11, 2010, Konecranes announced that it had entered into an agreement to acquire the Indian crane company WMI Cranes Ltd. ("WMI"). Konecranes has received the required regulatory approvals during first quarter of 2011 and WMI has been consolidated into Konecranes' financial reporting from February 1, 2011.

Konecranes is acquiring WMI's shares in two phases. In the first phase Konecranes acquired 51 percent of the shares for INR 1,690 million (EUR 28 million). In the second phase, estimated to take place later during 2011, Konecranes will purchase the remaining 49 percent of the shares. The sellers are entitled to a performance linked part of the purchase price and the total maximum price for 100 percent of the shares in WMI can amount to approximately INR 3,600 million.

The acquisition marks an important step in strengthening Konecranes' position in the growing Indian crane market. In 2010, WMI's net sales exceeded EUR 30 million and it has a strong order book to support further net sales growth in 2011.

The fair values of the identifiable assets and liabilities of the acquired business at date of acquisition are summarized below.

EUR million	30.6.2011 Recognized on acquisition	30.6.2011 Fair value adjustments	30.6.2011 Acquired carrying value
Intangible assets			
Clientele	8.3	8.3	0.0
Technology	9.9	9.8	0.0
Other intangible assets	4.6	4.6	0.0
Property, plant and equipment	5.8	0.0	5.8
Inventories	11.9	0.6	11.4
Account receivables and other assets	19.2	0.0	19.2
Cash and cash equivalents	0.2	0.0	0.2
Total assets	60.0	23.3	36.6
Deferred tax liabilities	8.1	7.6	0.5
Long- and short-term interest bearing debts	3.3	0.0	3.3
Account payables and other current liabilities	20.3	0.0	20.3
Total liabilities	31.6	7.6	24.1
Net assets	28.3	15.7	12.6
Purchase consideration transferred	56.3		
Goodwill	28.0		
Cash outflow on acquisition			
Purchase consideration, paid in cash	25.2		
Transactions costs*	0.5		
Cash and cash equivalents in acquired companies	-0.2		
Net cash flow arising on acquisition	25.5		
Purchase consideration:			
Purchase consideration, paid in cash	25.2		
Purchase consideration, liabilities assumed	20.5		
Contingent consideration liability	10.6		
Total purchase consideration	56.3		

*Transaction costs of EUR 0.5 million have been expensed and are included in other operating expenses.

NOTES

In addition, Konecranes completed five other acquisitions during January–June 2011.

In early January 2011 Konecranes acquired Gruas Koman Limitada, the former licensee of Konecranes in Recoleta, Santiago, Chile. The acquisition also includes the Peruvian start-up subsidiary, Koman Gruas Peru S.R.L. The companies specialize in providing advanced overhead lifting solutions and maintenance services in Chile, Peru, and Bolivia.

In March 2011 Konecranes acquired the assets and operations of lift truck service company Zeiss Staplerservice GmbH, headquartered in Sommerein, Austria. The company is specialized in lift truck maintenance service, and the sales and rental of lift trucks.

During June 2011 Konecranes finalized three acquisitions. At the beginning of the month Konecranes acquired the assets of German machine tool service company Schneider Werkzeugmaschinen GmbH in Heilbronn, Baden-Württemberg in south-west Germany. The company is specialized in maintenance services of machine tools in the engineering industry in western Germany. Schneider Werkzeugmaschinen's net sales is approximately EUR 2 million and the company has 16 full time employees.

Later in June Konecranes made an acquisition of the service business assets of Spanish crane and service company Eleve S.L. The company is located in Badalona, 5 kilometers north of Barcelona, in Catalonia. The service business has approximately 20 employees. Eleve S.L. had net sales of approximately EUR 3 million in 2010.

At the end of June Konecranes acquired 100 percent of the Saudi Arabian crane manufacturer Saudi Cranes & Steel Works Factory Company Limited ("Saudi Cranes"). Saudi Cranes is headquartered in Al Jubail Industrial City and the company has approximately 100 employees. Saudi Cranes' core business is designing, manufacturing and selling industrial cranes. The company previously had a license agreement with Konecranes. Saudi Cranes net sales in 2010 were approximately EUR 17 million.

The fair values of the identifiable assets and liabilities of these acquired businesses at the date of acquisitions are summarized below as consolidated figures, since none of them alone has relevance if treated as separate entities.

EUR million	30.6.2011 Recognized on acquisition	30.6.2011 Fair value adjustments	30.6.2011 Acquired carrying value
Intangible assets			
Clientele	9.3	9.3	0.0
Technology	0.0	0.0	0.0
Other intangible assets	0.0	0.0	0.0
Property, plant and equipment	5.1	0.0	5.1
Inventories	7.1	0.6	6.5
Account receivables and other assets	5.3	0.0	5.3
Cash and cash equivalents	1.0	0.0	1.0
Total assets	27.8	9.9	17.9
Deferred tax liabilities	2.1	2.1	0.0
Long- and short-term interest bearing debts	0.7	0.0	0.7
Account payables and other current liabilities	7.1	0.0	7.1
Total liabilities	10.0	2.1	7.8
Net assets	17.8	7.7	10.1
Purchase consideration transferred	21.4		
Goodwill	3.6		
Cash outflow on acquisition			
Purchase consideration, paid in cash	16.9		
Transactions costs*	0.5		
Cash and cash equivalents in acquired companies	-1.0		
Net cash flow arising on acquisition	16.4		
Purchase consideration:			
Purchase consideration, paid in cash	16.9		
Purchase consideration, liabilities assumed	4.5		
Contingent consideration liability	0.0		
Total purchase consideration	21.4		

*Transaction costs of EUR 0.5 million have been expensed and are included in other operating expenses.

QUARTERLY FIGURES

CONSOLIDATED STATEMENT OF INCOME, QUARTERLY

EUR million	Q2/2011	Q1/2011	Q4/2010	Q3/2010	Q2/2010	Q1/2010
Sales	459.5	387.8	469.4	393.6	377.0	306.3
Other operating income	0.8	0.5	1.1	0.8	0.8	0.8
Depreciation and impairments	-9.2	-8.6	-8.0	-7.8	-7.6	-7.3
Restructuring costs	0.0	0.0	0.0	0.0	-2.7	0.0
Other operating expenses	-426.0	-361.2	-416.7	-352.3	-346.8	-288.2
Operating profit	25.1	18.5	45.8	34.3	20.7	11.6
Share of associates' and joint ventures' result	1.9	0.6	1.2	0.3	0.9	0.1
Financial income and expenses	-4.9	-7.3	-1.6	-1.8	-0.9	0.7
Profit before taxes	22.0	11.8	45.4	32.7	20.8	12.4
Taxes	-6.7	-3.5	-13.5	-9.7	-6.2	-3.7
Net profit for the period	15.3	8.3	31.9	23.0	14.5	8.8

CONSOLIDATED BALANCE SHEET, QUARTERLY

EUR million	Q2/2011	Q1/2011	Q4/2010	Q3/2010	Q2/2010	Q1/2010
ASSETS						
Goodwill	115.1	111.9	84.4	76.3	73.9	72.8
Intangible assets	89.8	88.3	68.3	63.5	65.3	66.5
Property, plant and equipment	113.5	103.0	99.1	96.1	99.4	96.1
Other	100.4	92.7	93.3	102.3	97.2	89.5
Total non-current assets	418.8	395.9	345.2	338.1	335.7	324.9
Inventories	316.6	291.0	269.9	279.6	288.3	271.1
Receivables and other current assets	486.6	449.6	461.9	419.8	426.4	395.5
Cash and cash equivalents	93.8	98.2	98.5	103.3	95.1	121.1
Total current assets	897.0	838.9	830.3	802.6	809.8	787.8
Total assets	1,315.8	1,234.9	1,175.5	1,140.7	1,145.5	1,112.7
EQUITY AND LIABILITIES						
Total equity	438.5	417.2	456.2	415.7	405.1	373.7
Non-current liabilities	115.6	115.4	107.9	114.4	113.2	111.8
Provisions	46.5	46.8	50.1	53.2	59.3	58.6
Advance payments received	134.6	153.3	154.0	170.8	178.4	183.4
Other current liabilities	580.5	502.2	407.2	386.6	389.5	385.3
Total liabilities	877.3	817.7	719.2	725.0	740.4	739.0
Total equity and liabilities	1,315.8	1,234.9	1,175.5	1,140.7	1,145.5	1,112.7

QUARTERLY FIGURES

CONSOLIDATED CASH FLOW STATEMENT - QUARTERLY

EUR million	Q2/2011	Q1/2011	Q4/2010	Q3/2010	Q2/2010	Q1/2010
Operating income before change in net working capital	35.4	27.4	53.8	41.2	29.2	19.3
Change in net working capital	-44.3	-14.7	-31.0	-2.9	-23.0	10.8
Financing items and taxes	-18.6	-14.8	8.4	-6.3	-12.5	-29.6
Net cash from operating activities	-27.5	-2.1	31.2	32.1	-6.3	0.5
Cash flow from investing activities	-24.3	-36.9	-10.2	-10.9	-9.0	-35.0
Cash flow before financing activities	-51.7	-39.0	21.0	21.2	-15.3	-34.5
Proceeds from options exercised and share issues	3.9	20.6	0.1	0.0	0.2	0.9
Change of interest-bearing debt	103.5	22.0	-27.4	-6.3	34.6	10.0
Dividends paid to equity holders of the parent	-60.0	0.0	0.0	0.0	-53.0	0.0
Net cash used in financing activities	47.4	42.5	-27.2	-6.3	-18.2	10.9
Translation differences in cash	-0.1	-3.7	1.3	-6.7	7.6	7.1
Change of cash and cash equivalents	-4.4	-0.2	-4.8	8.2	-26.0	-16.5
Cash and cash equivalents at beginning of period	98.2	98.5	103.3	95.1	121.1	137.5
Cash and cash equivalents at end of period	93.8	98.2	98.5	103.3	95.1	121.1
Change of cash and cash equivalents	-4.4	-0.2	-4.8	8.2	-26.0	-16.5

QUARTERLY FIGURES

QUARTERLY SEGMENT INFORMATION

EUR million

Orders received by Business Area	Q2/2011	Q1/2011	Q4/2010	Q3/2010	Q2/2010	Q1/2010
Service ¹⁾	186.3	167.2	154.4	152.4	159.1	139.8
Equipment	295.8	363.8	349.2	240.0	219.6	196.2
./. Internal	-29.3	-20.1	-25.9	-19.0	-14.3	-15.4
Total	452.8	510.9	477.7	373.4	364.4	320.6

1) Excl. Service Contract Base

Order book by Business Area	Q2/2011	Q1/2011	Q4/2010	Q3/2010	Q2/2010	Q1/2010
Service	144.3	125.8	103.3	111.7	106.5	87.7
Equipment	836.7	830.8	652.9	585.6	598.3	558.2
./. Internal	0.0	0.0	0.0	-17.6	-19.5	-4.6
Total	981.0	956.6	756.2	679.7	685.2	641.3

Sales by Business Area	Q2/2011	Q1/2011	Q4/2010	Q3/2010	Q2/2010	Q1/2010
Service	194.2	170.9	211.3	173.2	175.2	148.0
Equipment	288.9	240.5	288.5	252.6	221.6	185.8
./. Internal	-23.6	-23.6	-30.4	-32.3	-19.8	-27.6
Total	459.5	387.8	469.4	393.6	377.0	306.3

Operating profit (EBIT)

by Business Area excluding restructuring costs	Q2/2011	Q1/2011	Q4/2010	Q3/2010	Q2/2010	Q1/2010
Service	12.7	9.1	22.1	14.6	16.0	9.8
Equipment	18.0	14.0	27.4	22.0	11.9	6.0
Group costs and eliminations	-5.5	-4.6	-3.7	-2.3	-4.5	-4.3
Total	25.1	18.5	45.8	34.3	23.4	11.6

Operating margin, (EBIT %)

by Business Area excluding restructuring costs	Q2/2011	Q1/2011	Q4/2010	Q3/2010	Q2/2010	Q1/2010
Service	6.5 %	5.3 %	10.5 %	8.4 %	9.1 %	6.6 %
Equipment	6.2 %	5.8 %	9.5 %	8.7 %	5.4 %	3.3 %
Group EBIT % total	5.5 %	4.8 %	9.8 %	8.7 %	6.2 %	3.8 %

Personnel by Business Area

(at the end of the period)	Q2/2011	Q1/2011	Q4/2010	Q3/2010	Q2/2010	Q1/2010
Service	5,772	5,546	5,397	5,125	4,938	4,926
Equipment	5,349	5,104	4,600	4,626	4,583	4,586
Group staff	49	48	45	44	49	50
Total	11,170	10,698	10,042	9,795	9,570	9,562

QUARTERLY FIGURES

Sales by market	Q2/2011	Q1/2011	Q4/2010	Q3/2010	Q2/2010	Q1/2010
Europe-Middle East-Africa (EMEA)	248.5	212.0	258.3	202.1	189.9	173.0
Americas (AME)	127.2	118.5	135.8	122.0	123.8	86.6
Asia-Pacific (APAC)	83.8	57.3	75.3	69.5	63.3	46.7
Total	459.5	387.8	469.4	393.6	377.0	306.3

Personnel by region (at the end of the period)	Q2/2011	Q1/2011	Q4/2010	Q3/2010	Q2/2010	Q1/2010
Europe-Middle East-Africa (EMEA)	5,901	5,648	5,751	5,562	5,431	5,466
Americas (AME)	2,470	2,366	2,259	2,217	2,170	2,171
Asia-Pacific (APAC)	2,799	2,684	2,032	2,016	1,969	1,925
Total	11,170	10,698	10,042	9,795	9,570	9,562

Analyst and press briefing

An analyst and press conference will be held at the restaurant G.W. Sundmans' Auditorium (address Eteläranta 16) at 11.00 a.m. Finnish time. The Interim Report will be presented by Konecranes' President and CEO Pekka Lundmark and CFO Teo Ottola.

A live webcast of the conference will begin at 11.00 a.m. at www.konecranes.com. Please see the stock exchange release dated July 7, 2011 for the conference call details.

Next report

Konecranes' January-September 2011 interim report will be published on October 20, 2011.

KONECRANES PLC

Miikka Kinnunen
Director, Investor Relations

For further information, please contact:

Mr. Pekka Lundmark,
President and CEO,
tel. +358 20 427 2000

Mr. Teo Ottola,
Chief Financial Officer,
tel. +358 20 427 2040

Mr. Miikka Kinnunen,
Director, Investor Relations,
tel. +358 20 427 2050

Mr. Mikael Wegmüller,
Vice President, Marketing and Communications,
tel. +358 20 427 2008

Distribution

Media
NASDAQ OMX Helsinki
www.konecranes.com

Konecranes is a world-leading group of Lifting Businesses™, serving a broad range of customers, including manufacturing and process industries, shipyards, ports and terminals. Konecranes provides productivity-enhancing lifting solutions as well as services for lifting equipment and machine tools of all makes. In 2010, Group sales totaled EUR 1,546 million. The Group has almost 11,200 employees at 578 locations in 46 countries. Konecranes is listed on the NASDAQ OMX Helsinki (symbol: KCR1V).