Q2 2013
INTERIM REPORT

July 24, 2013

Pekka Lundmark, President and CEO

Teo Ottola, CFO

HIGHLIGHTS OF Q2/13

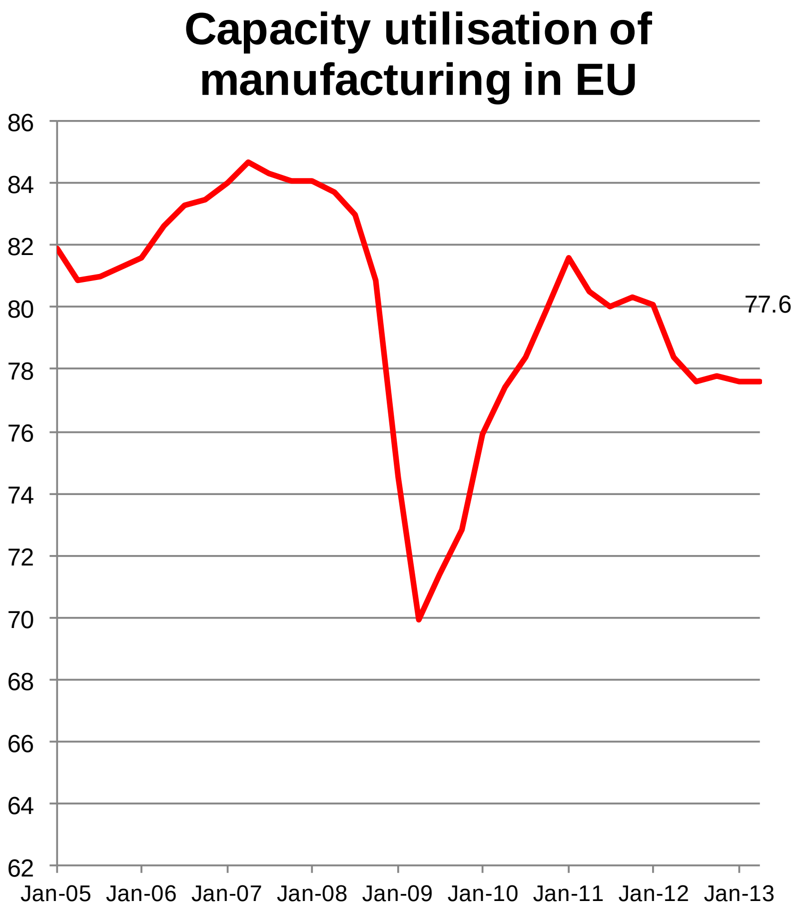
- **Positives**
  - Service order intake all-time high, +5% Y/Y
  - Port crane orders continued on a good level

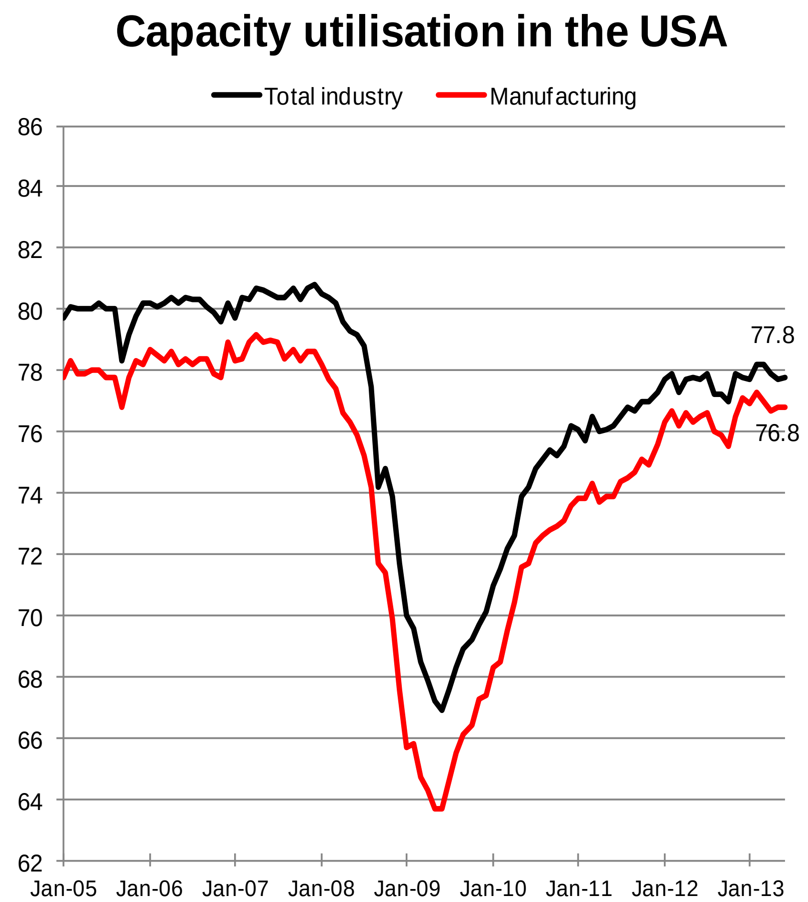
- **Negatives**
  - Demand was weak in Western Europe, China, India and partly North America; most positives were the Middle East and South East Asia
  - Service EBIT slightly down Y/Y due to lack of volume growth
  - Equipment EBIT hit by EUR8m costs and provisions related to heavy industrial crane deliveries

Q2 ORDERS RECEIVED Y/Y	EMEA	AME	APAC
SERVICE			
EQUIPMENT			

KONECRANES®

CAPACITY UTILIZATION: EU27 AND USA

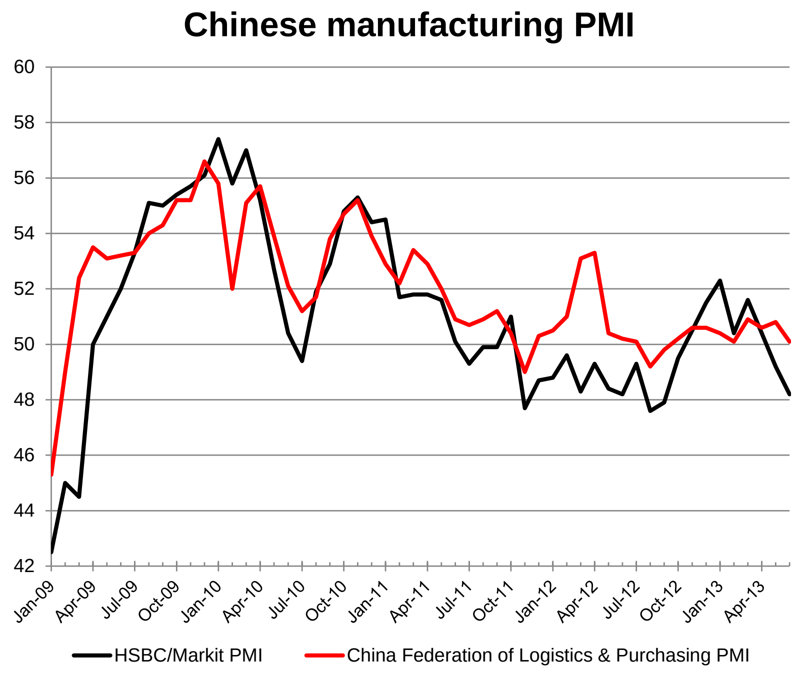


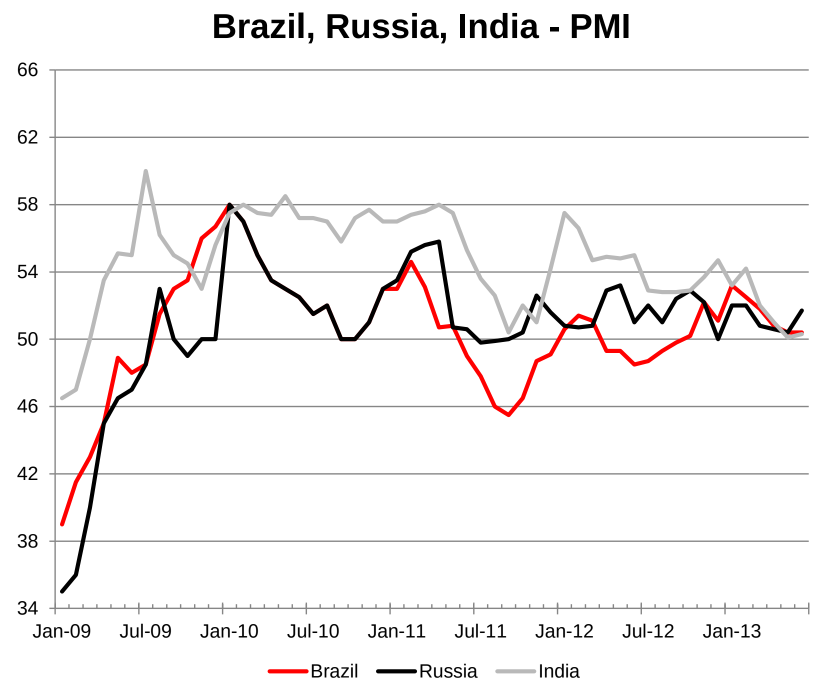


SOURCES: Eurostat (latest data point Q2/13), Federal Reserve Bank of St. Louis (June 2013)

KONECRANES

PMI'S IN THE BRIC COUNTRIES



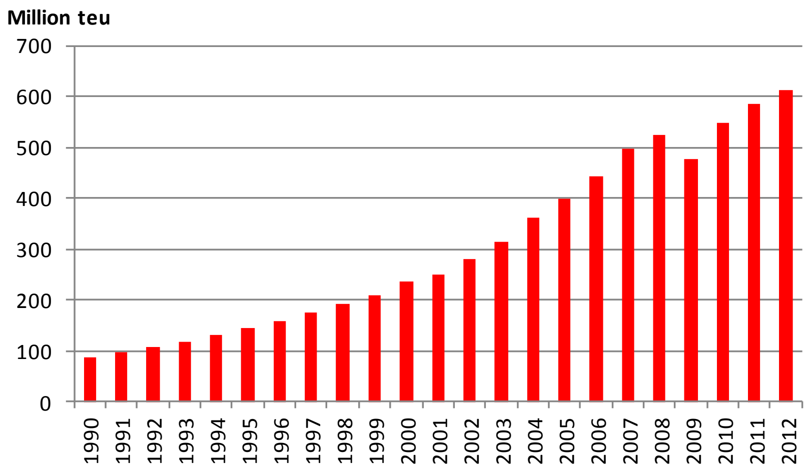


SOURCES: HSBC/Markit, (latest data point June 2013)

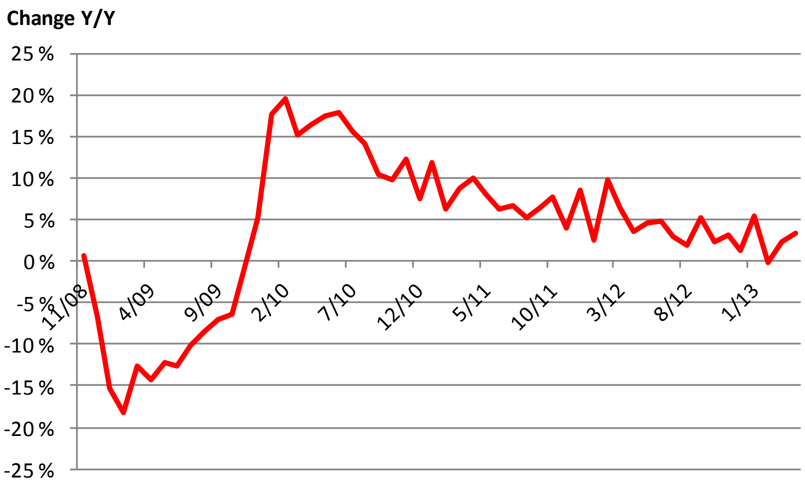
KONECRANES

CONTAINER TRAFFIC

Annual container handling volume



Monthly container handling volume



SOURCE: Drewry Container Port Insight (latest data point April 2013)

MARKET OUTLOOK AND FINANCIAL GUIDANCE AS OF JULY 24, 2013

Market outlook

- Demand is expected to be stable or slightly lower compared to the second quarter of 2013.
- However, due to the timing of large crane projects, the quarterly Equipment order intake may fluctuate.

Financial guidance

- Based on the order book and the near-term demand outlook, the year 2013 sales are expected to be stable or slightly higher than in 2012.
- We expect the 2013 operating profit, excluding restructuring costs, to be approximately on the same level as in 2012.
- The clear second half 2013 earnings recovery incorporated in the financial guidance is based on the good order intake during the first half of 2013, product mix in the order book as well as the announced restructuring actions. The financial guidance includes an assumption of a continued satisfactory order intake in the third quarter of 2013.

KONECRANES

KONECRANES EXPANDS ACTIONS TO IMPROVE EFFICIENCY AND REDUCE COSTS

- New measures to reduce annual cost base by EUR 30 million by the end of 2014
  - Consolidation and transfer of production between sites
  - Optimization and productivity improvements in the manufacturing processes
  - Consolidation of and efficiency improvements in administration and support functions
  - Consolidation of sales units to cover larger areas
  - Improving productivity and restructuring of underperforming operations
- Actions to reach savings in variable costs
- The total cash-based restructuring costs estimated at maximum EUR 20 million for the years 2013 to 2014
- Non cash-based restructuring costs not exceeding EUR 20 million
- The considered actions are estimated to impact maximum 600 people through redundancies, temporary lay-offs and early retirement

KONECRANES®

CONTINUED FOCUS ON THE MAJOR INITIATIVES

- Introducing new technologies that enable real-time visibility to the condition and performance of the equipment we service
- A totally new product family mainly for emerging markets
- Rebuild of our IT systems to create real-time visibility to customer demand, field service, supply chain and financials

KONECRANES

KONECRANES CHANGES THE GAME IN THE RTG BUSINESS

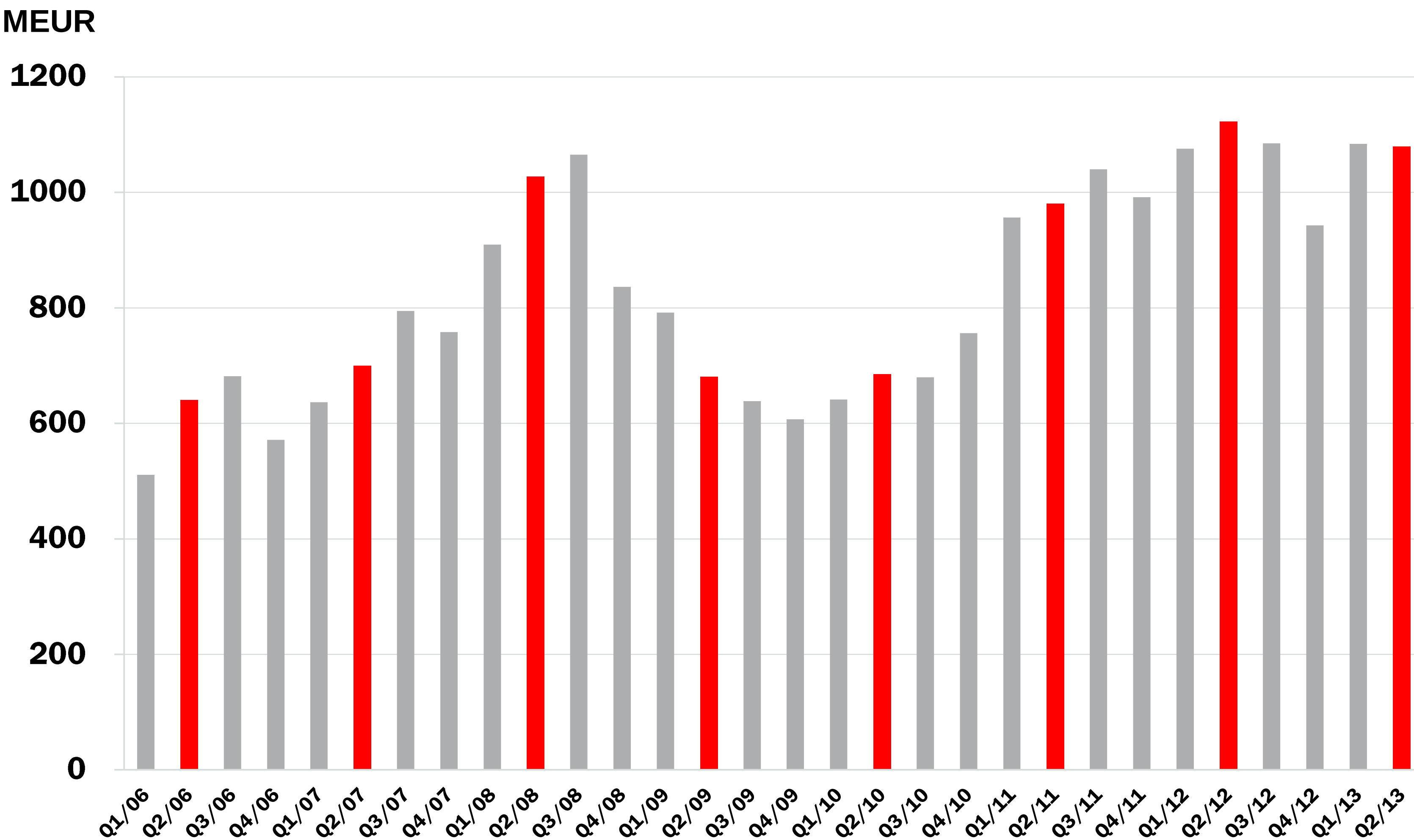
- Konecranes is the first company offering automation for RTG container terminals.
- The ARTG system offers all benefits of automation: operational cost savings, greater productivity, increased predictability and increased safety.
- The ARTG is built around the Konecranes 16-wheel RTG, which can tolerate rough yard surfaces.
- Customers moving to an automated operating model can start with their current yard infrastructure.

GROUP ORDERS AND NET SALES

Q2 Orders: 503.0 (553.7) MEUR, -9.2% | Net sales: 519.9 (562.5) MEUR, -7.6%

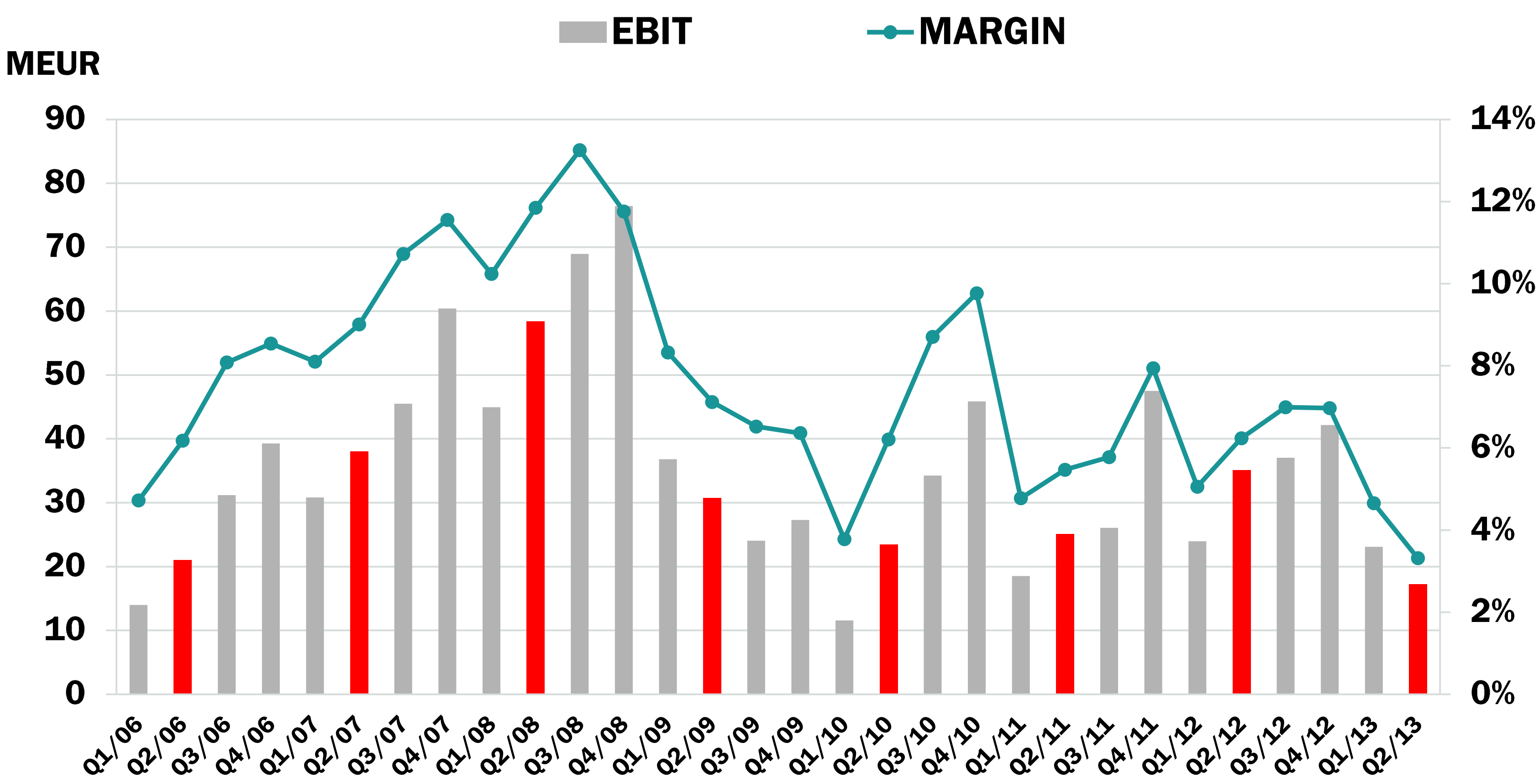
GROUP ORDER BOOK

Q2 Order book: 1,079.4 (1,122.8) MEUR, -3.9%



GROUP EBIT & MARGIN

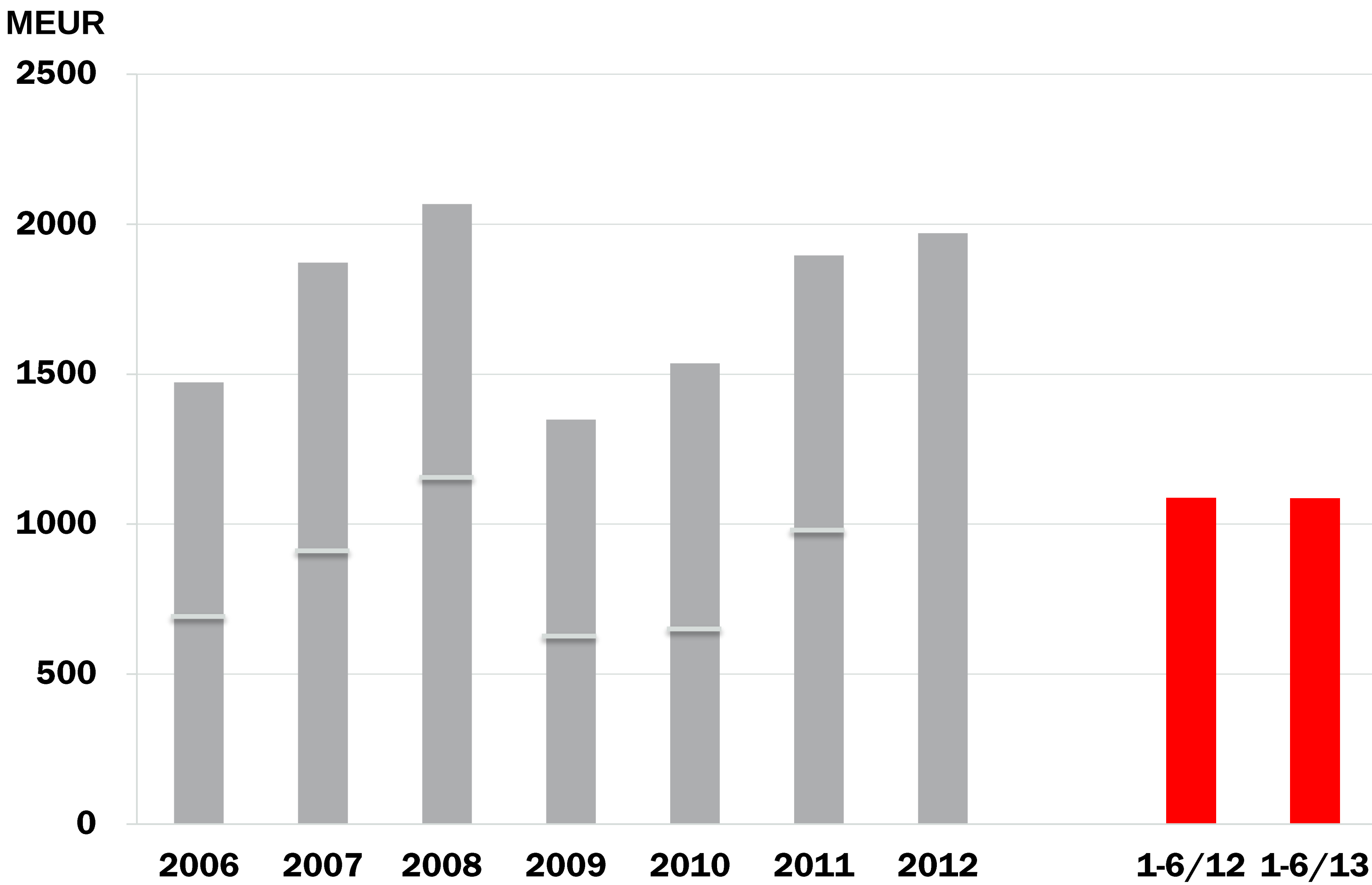
Q2 EBIT excl. restructuring costs: 17.2 (35.1) MEUR, -50.8% | MARGIN: 3.3% (6.2%)



KONECRANES

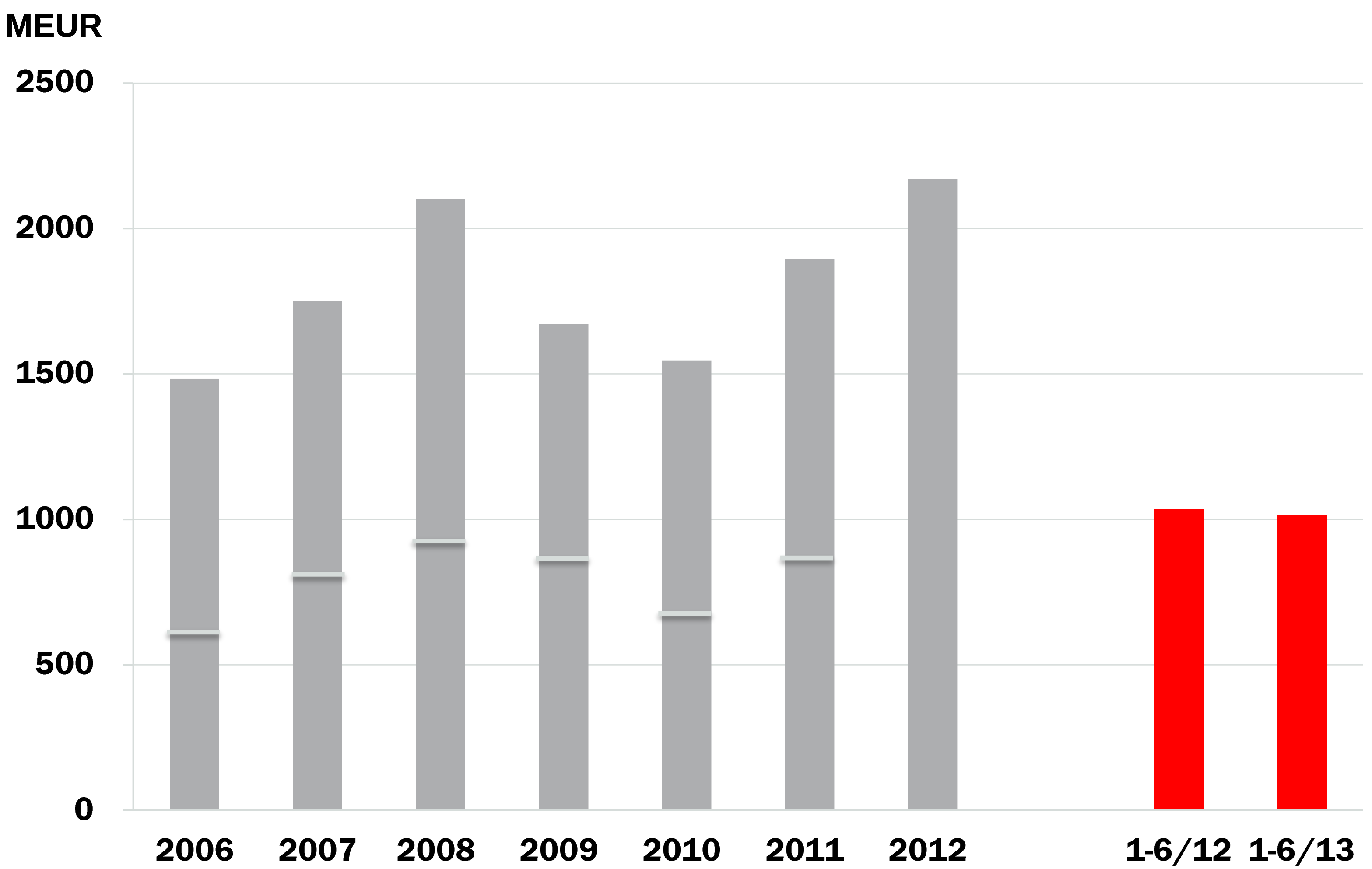
GROUP ORDERS RECEIVED

H1 Orders: 1,085.7 (1,088.3) MEUR, -0.2%



GROUP NET SALES

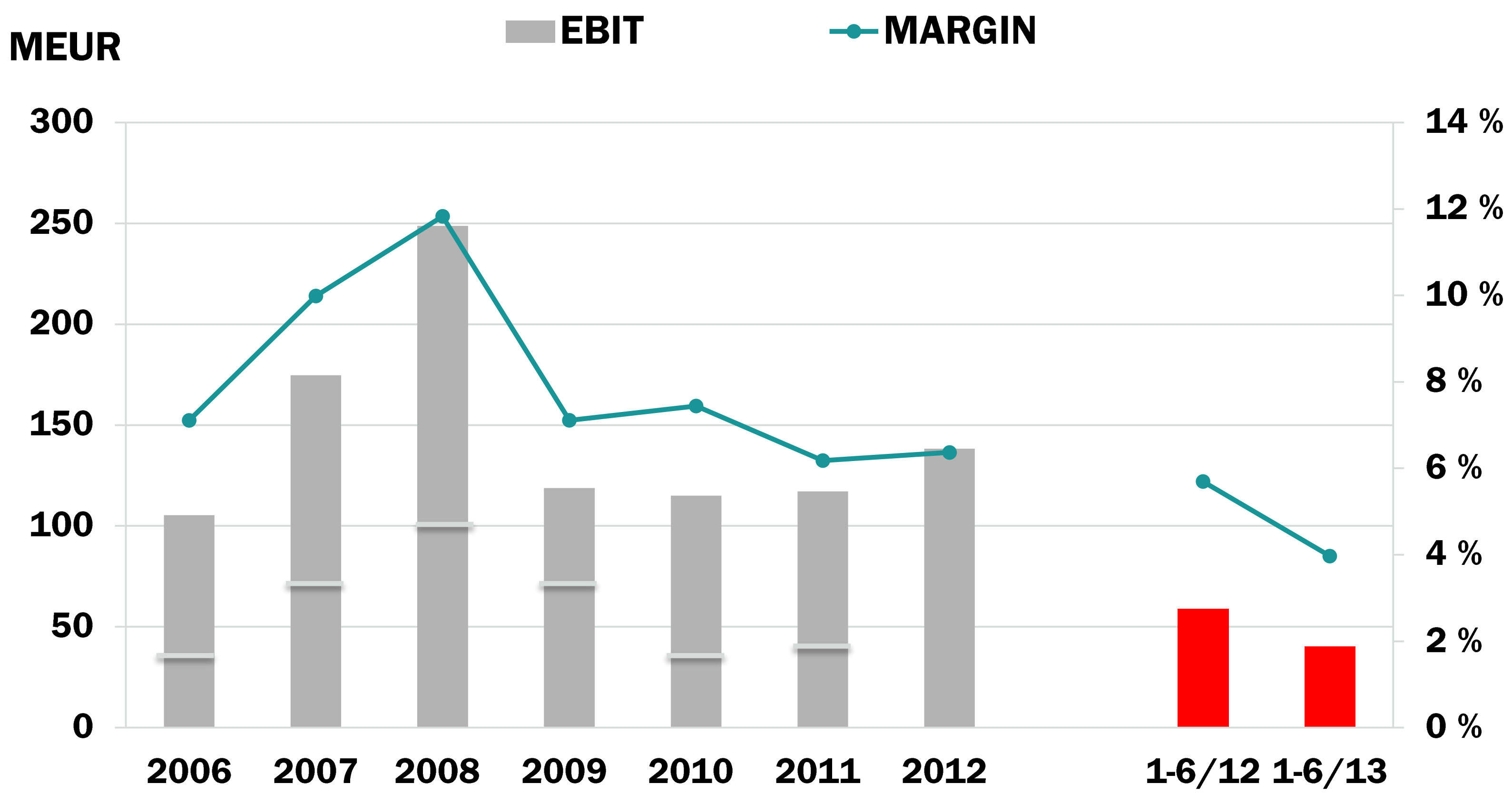
H1 Net sales: 1,015.8 (1,036.5) MEUR, -2.0%



KONECRANES

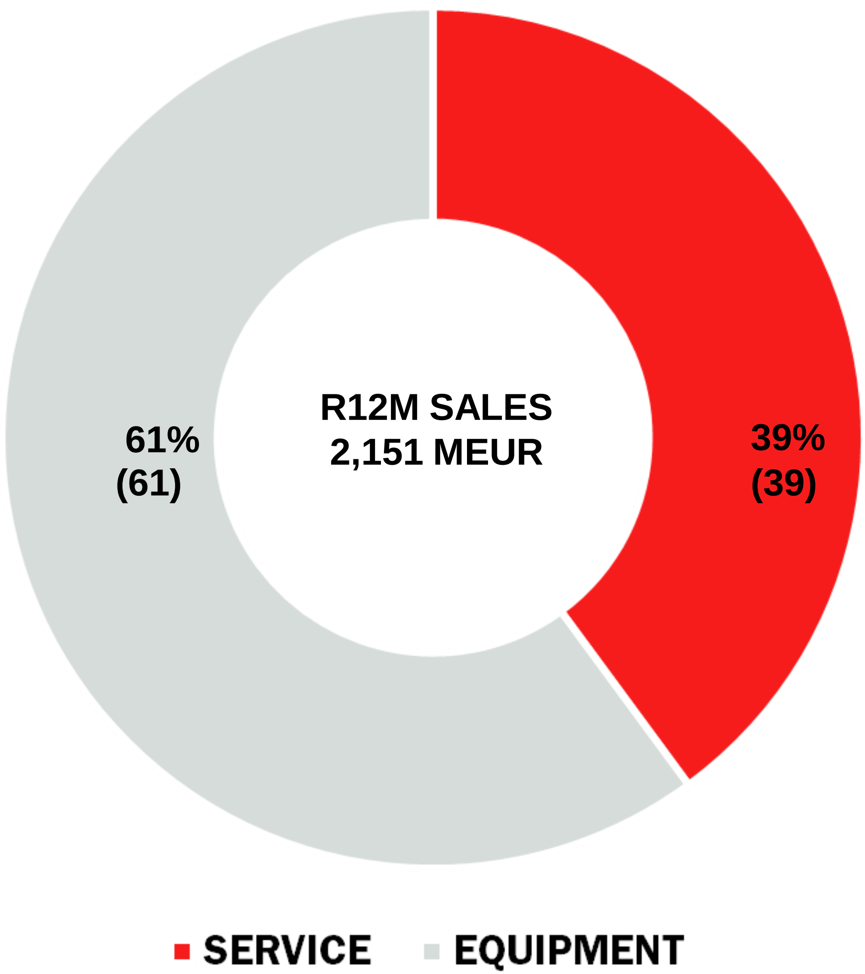
GROUP EBIT & MARGIN

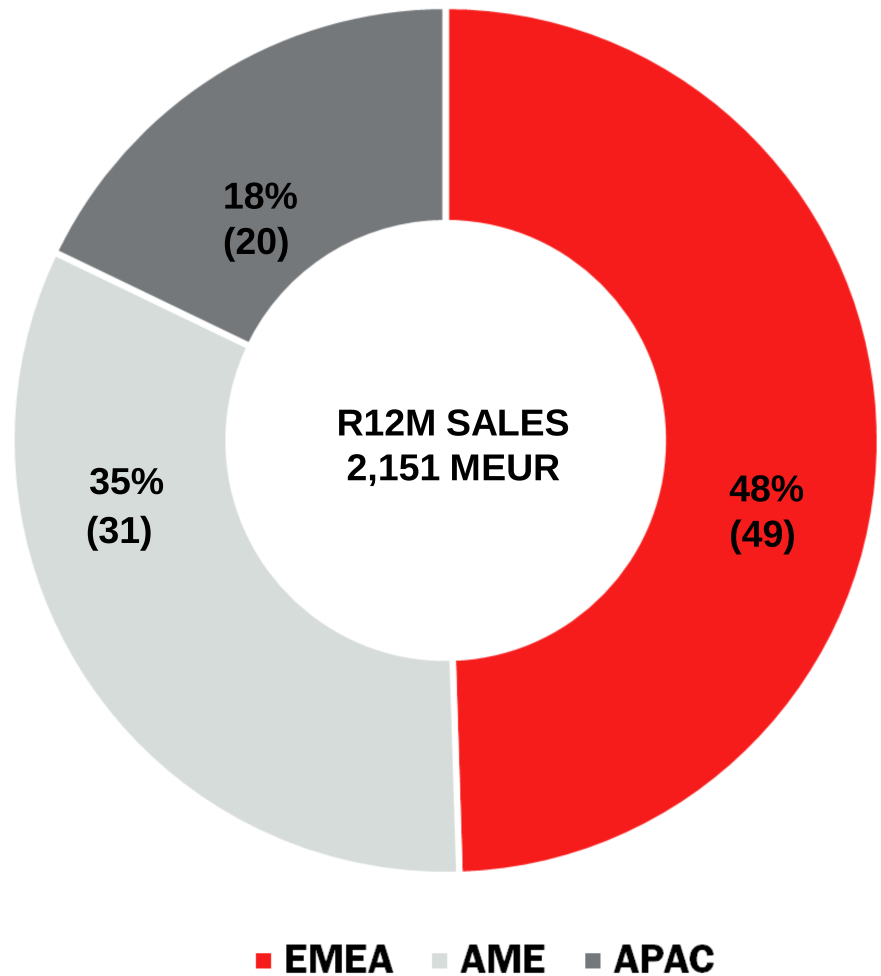
H1 EBIT excl. restructuring costs: 40.3 (59.0) MEUR, -31.7%| MARGIN: 4.0% (5.7%)



KONECRANES

SALES SPLIT BY BUSINESS AREA & REGION (R12M)

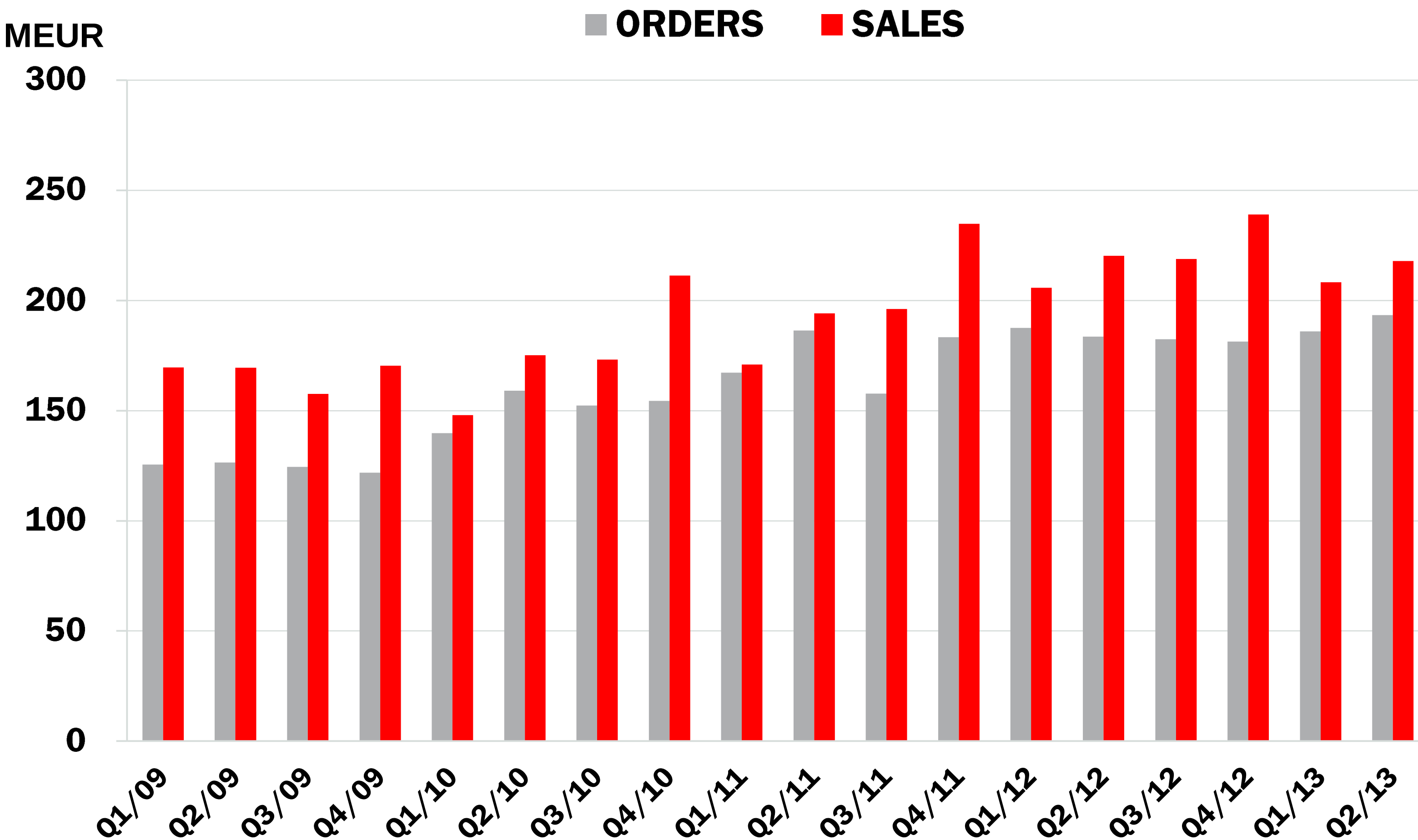




SERVICE

SERVICE ORDERS AND NET SALES

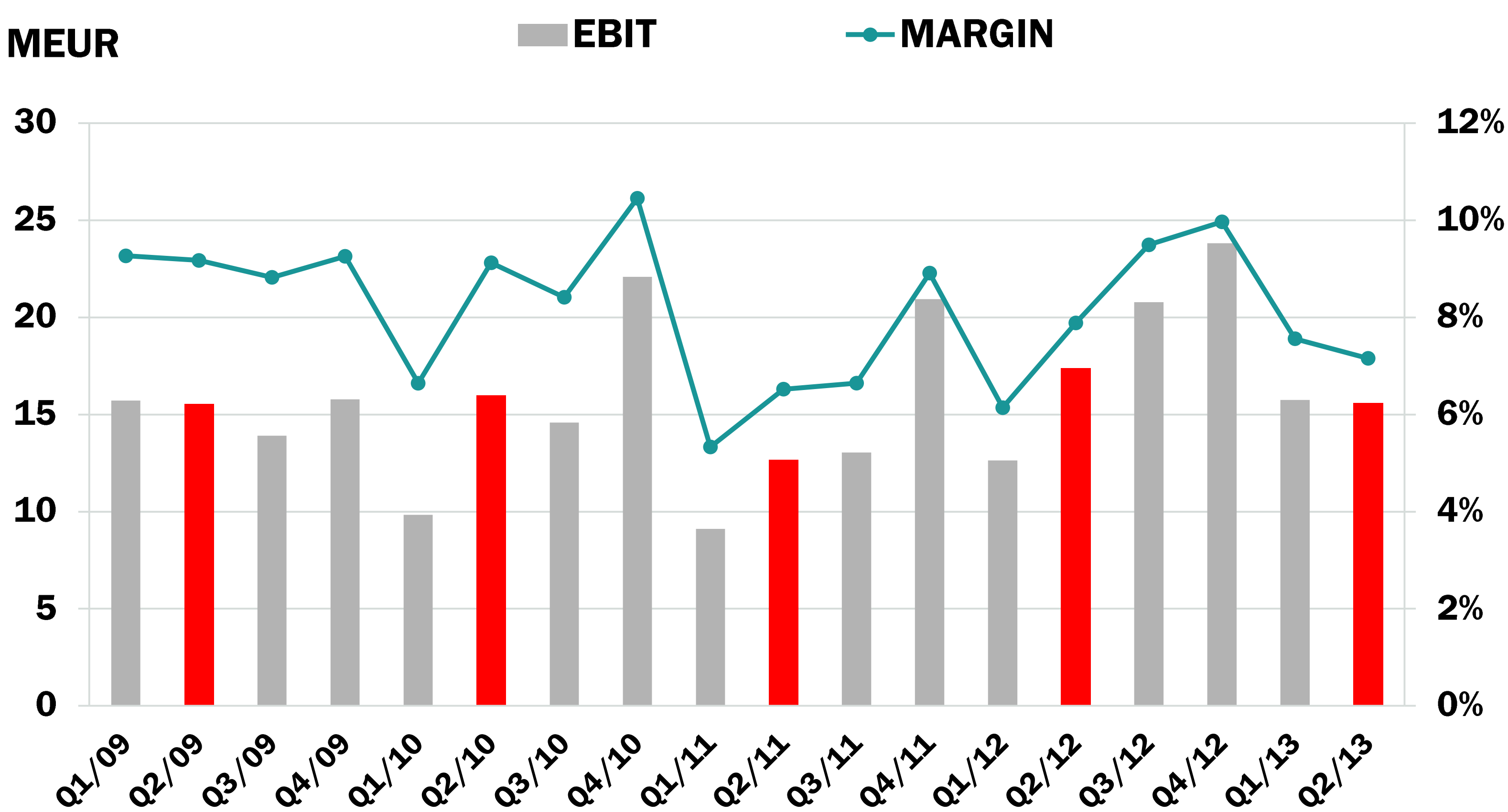
Q2 Orders: 193.4 (183.7) MEUR +5.3%| Sales: 217.9 (220.4) MEUR -1.1%



- New orders grew in the Americas and EMEA, but declined in Asia-Pacific Y/Y
- Crane Service outperformed within the business area, while the parts orders grew only slightly Y/Y

SERVICE EBIT & MARGIN

Q2 EBIT excl. restructuring costs: 15.6 (17.4) MEUR, -10.3%|MARGIN: 7.2% (7.9%)

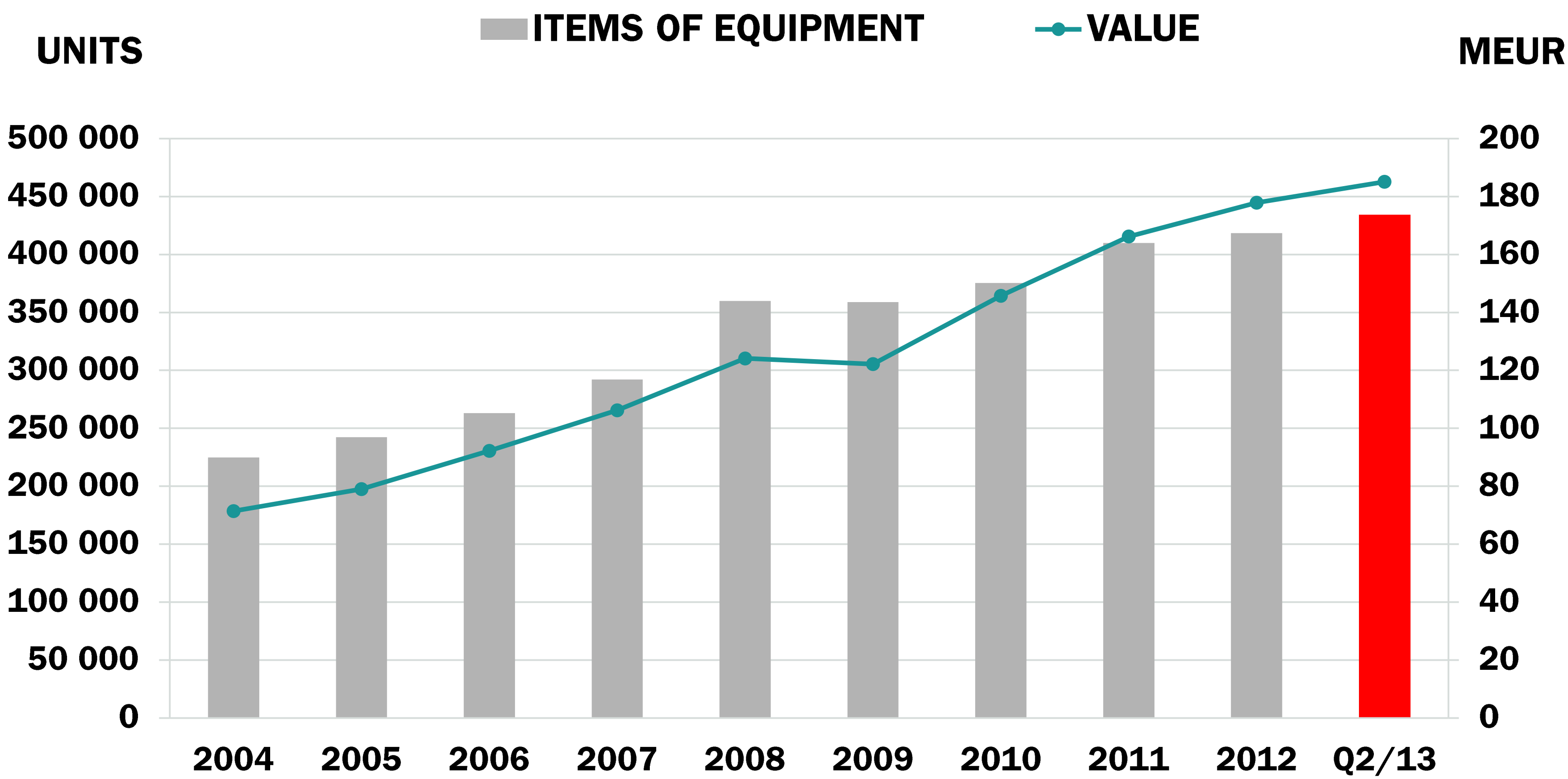


- Operating profit fell due to lower volume and higher fixed costs

KONECRANES

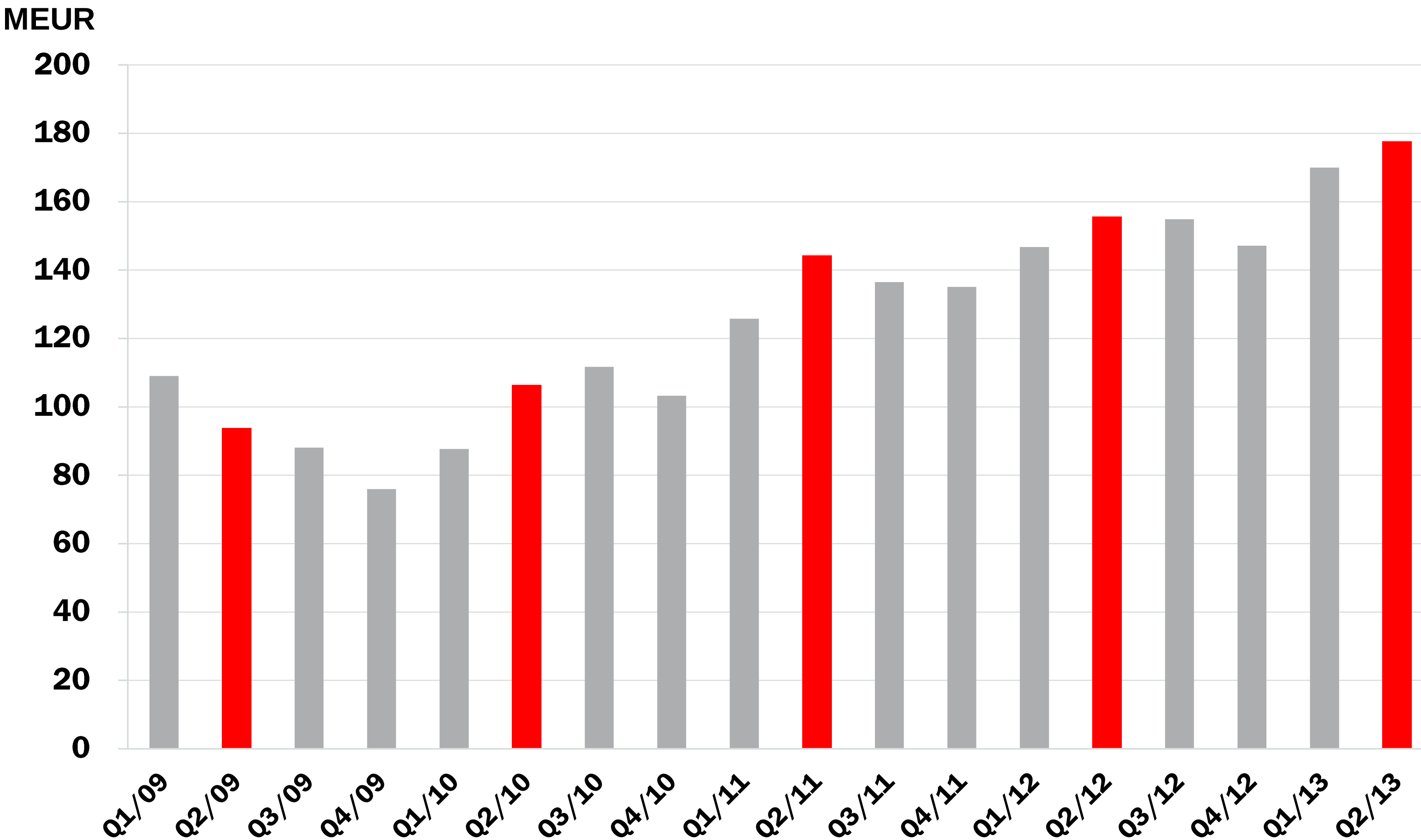
SERVICE CONTRACT BASE

Q2 CB: 434 (420) thousand units, +3.5% | Annual value 185 (181) MEUR, +2.2% Y/Y

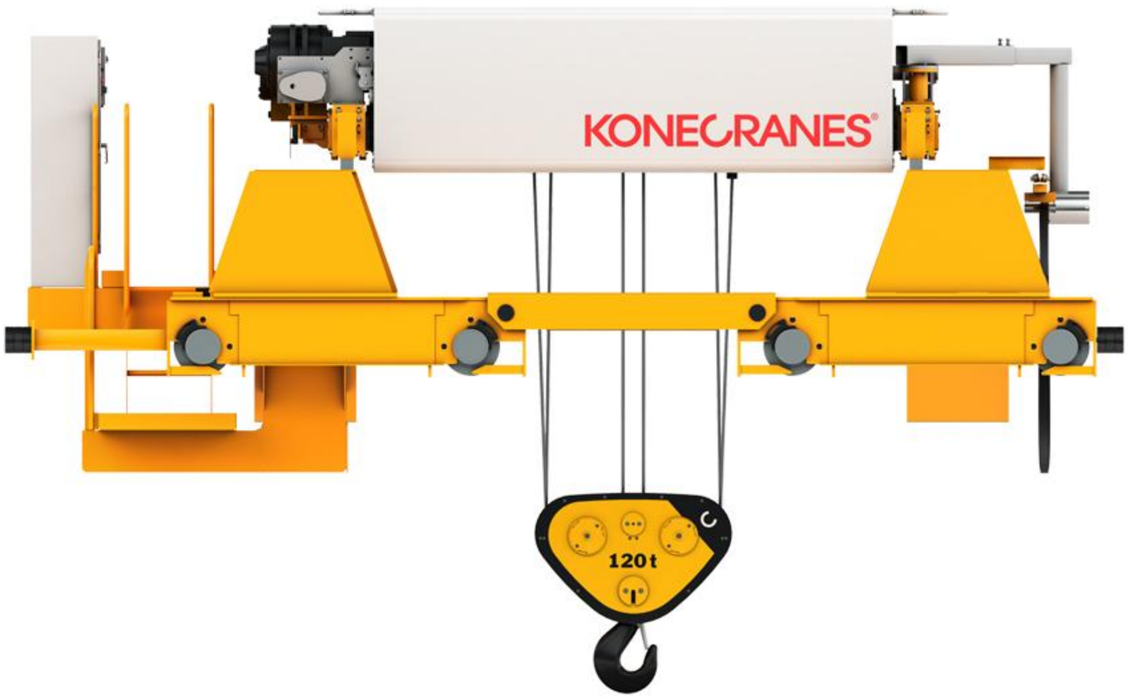


SERVICE ORDER BOOK

Q2 Order book: 177.7 (155.6) MEUR, +14.2%



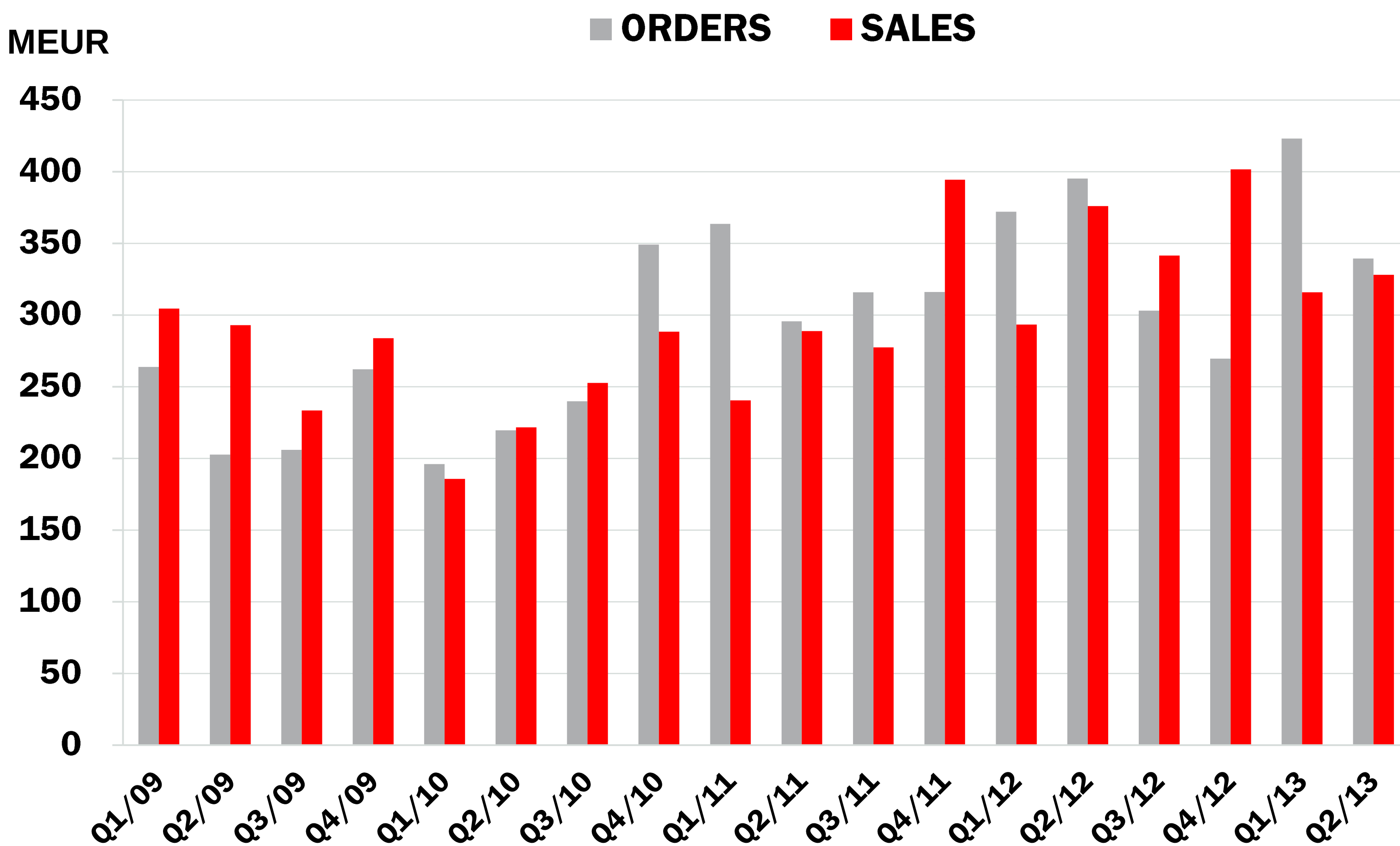
KONECRANES



EQUIPMENT

EQUIPMENT ORDERS AND NET SALES

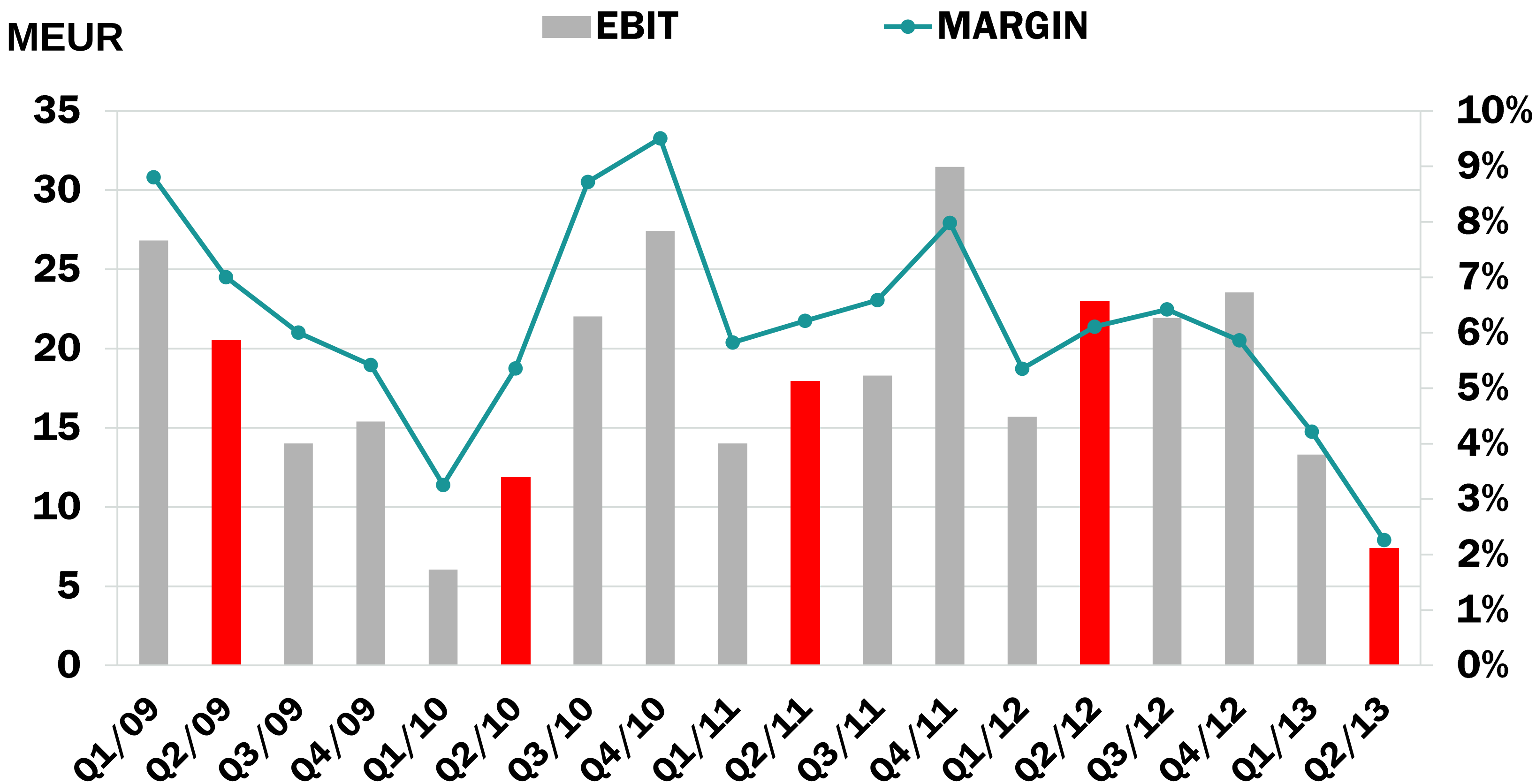
Q2 Orders: 339.6 (395.3) MEUR, -14.1% | Net sales: 328.2 (376.1) MEUR, -12.7%



- Orders grew in Asia-Pacific but fell in the Americas and EMEA
- The value of new orders declined in all business units, except Port Cranes

EQUIPMENT EBIT & MARGIN

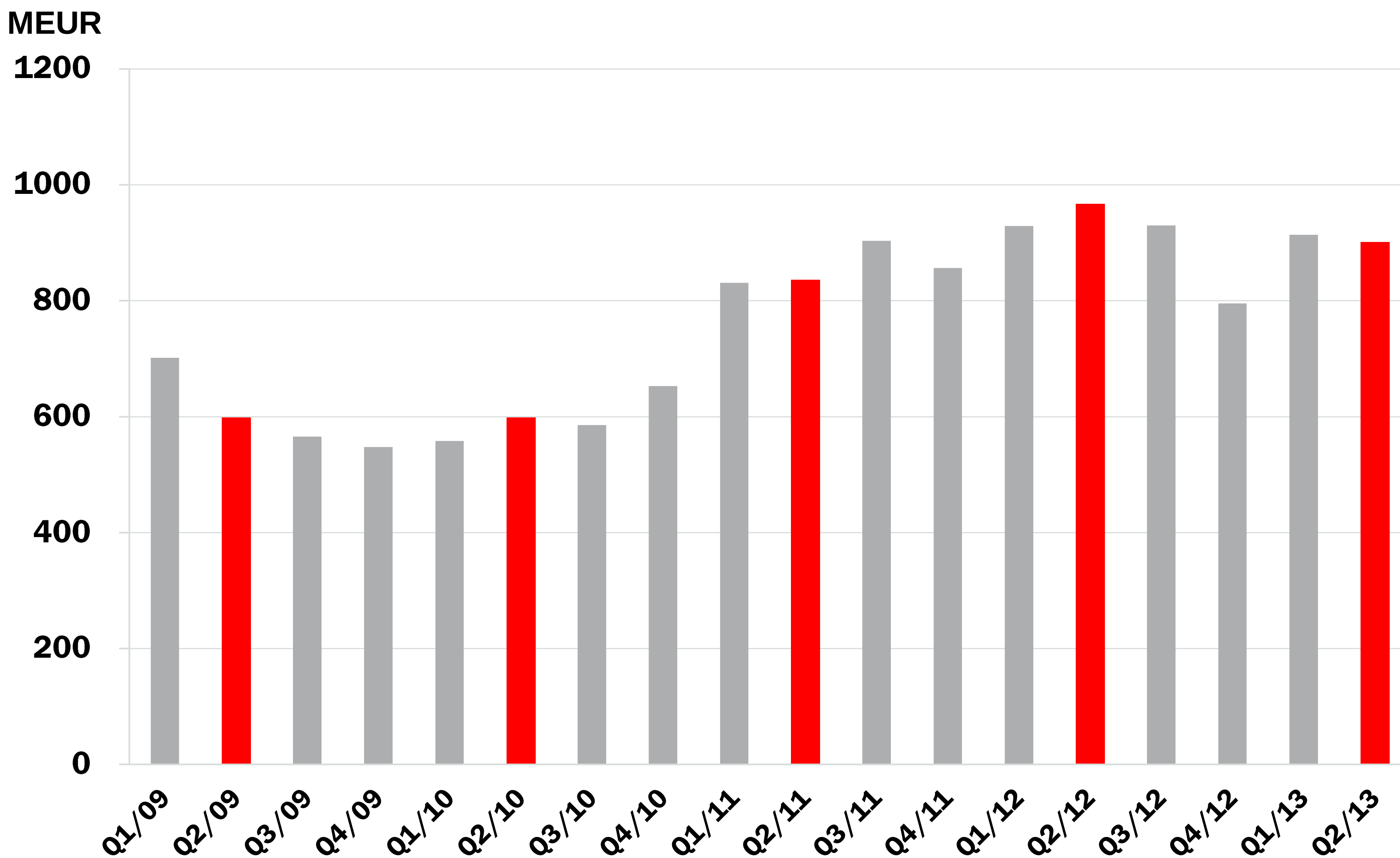
Q2 EBIT excl. restructuring costs: 7.4 (23.0) MEUR, -67.7%| MARGIN: 2.3% (6.1%)



- EBIT down Y/Y due to lower sales and intense competitive situation
- EBIT includes costs and provisions of approximately EUR 8 million due to the execution issues of mainly heavy-duty industrial crane projects

EQUIPMENT ORDER BOOK

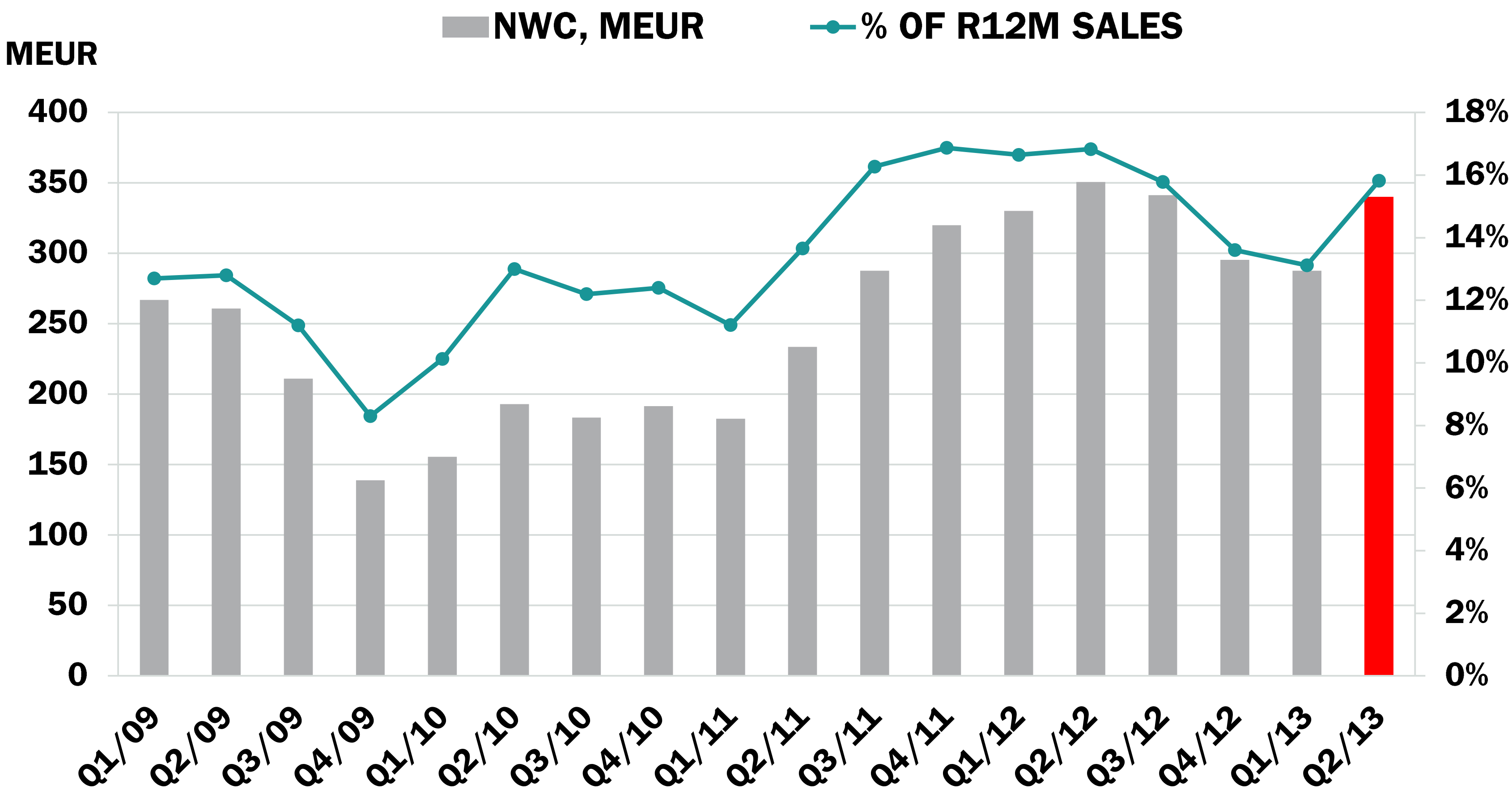
Q2 Order book: 901.7 (967.2) MEUR, -6.8%



BALANCE SHEET AND CASH FLOW

NET WORKING CAPITAL

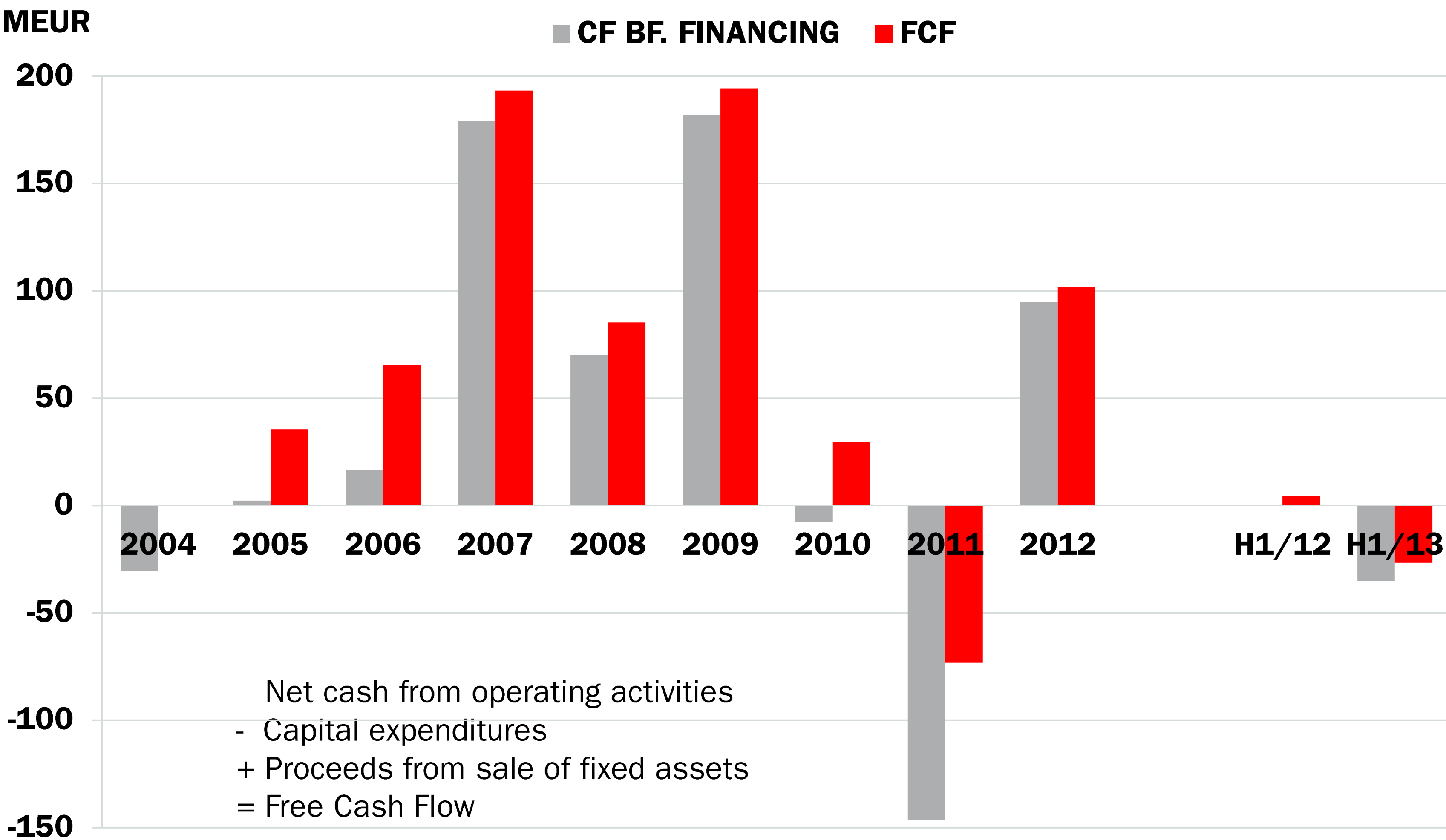
Q2 NWC: 340.3 (350.8) MEUR | 15.8% (16.8%) of R12M sales



Q1/13 excl. dividend liability of EUR 61 million, Q1/12 excl. dividend liability of EUR 57 million, Q1/11 excl. dividend liability of EUR 60 million, Q1/10 excl. dividend liability of EUR 53 million

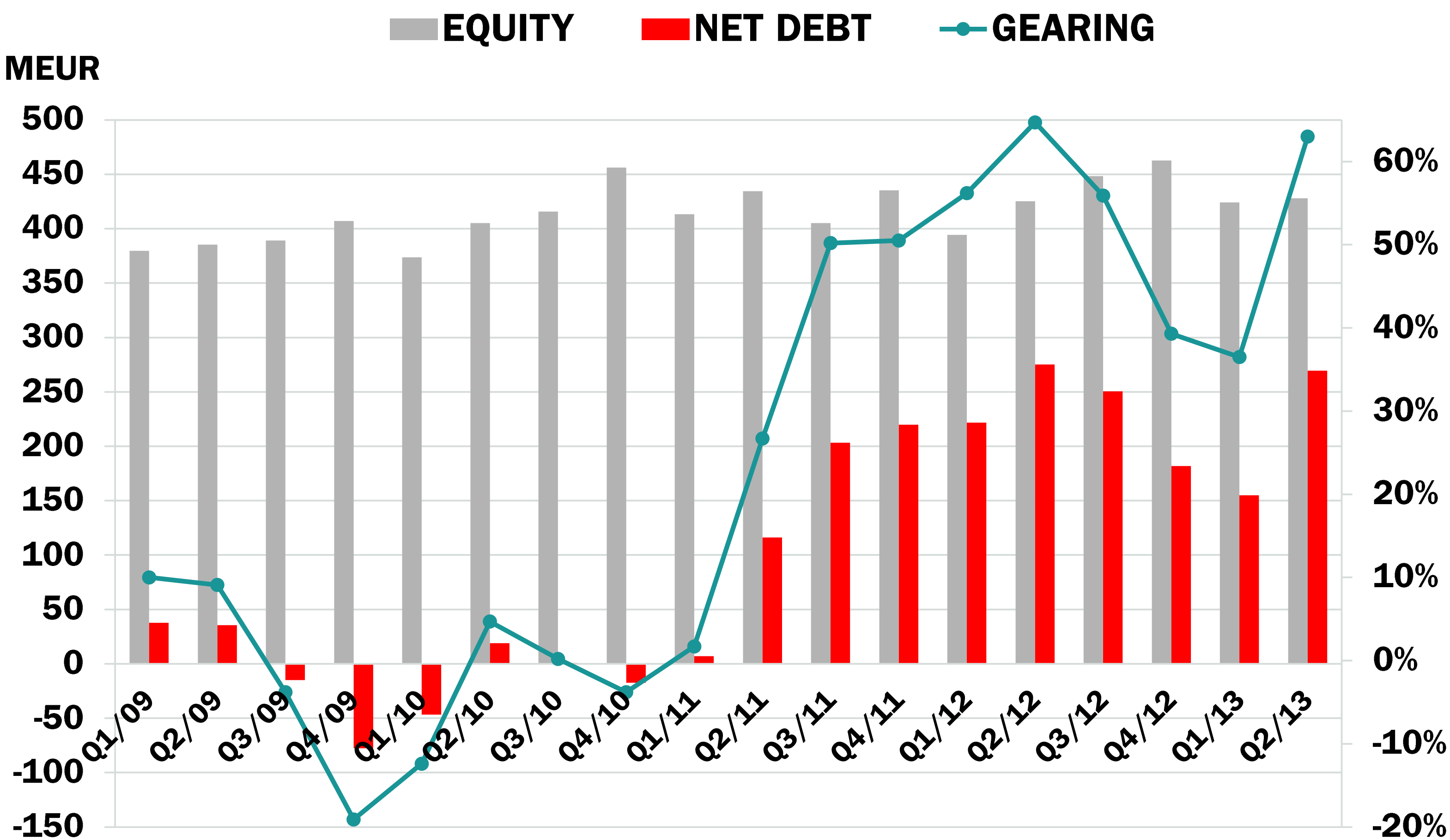
CF BEFORE FINANCING ACTIVITIES AND FCF

H1 CF BF. FINANCING: -35.0 (0.2) MEUR | FCF: -26.7 (4.3) MEUR



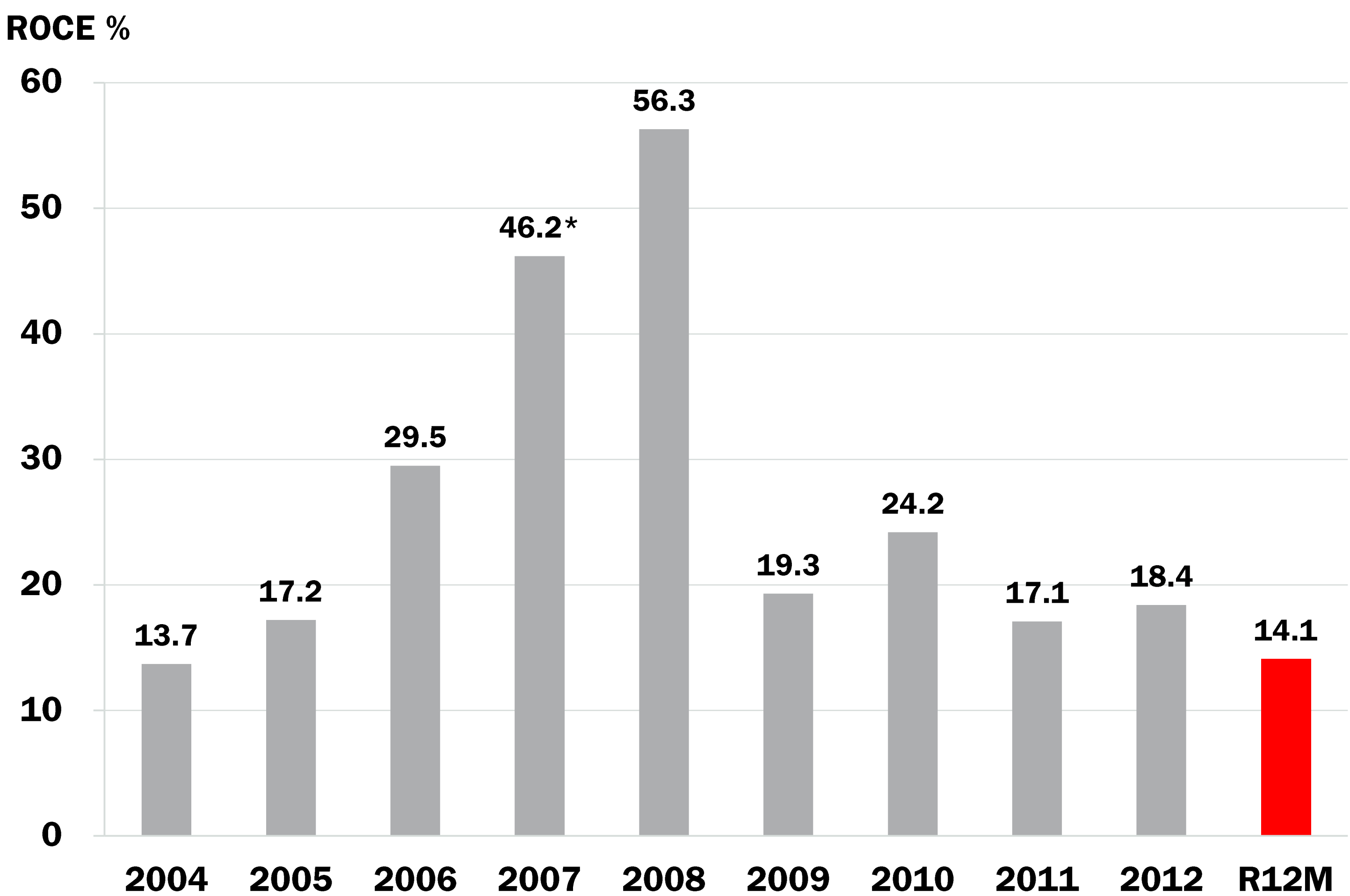
GEARING

Q2 Equity: 427.9 (427.8) MEUR | Net debt: 269.6 (275.2) MEUR | Gearing: 63.0% (64.3%)



KONECRANES

RETURN ON CAPITAL EMPLOYED



*) The 2007 ROCE including capital gain was 50.4%

KONECRANES

NOT JUST LIFTING THINGS, BUT ENTIRE BUSINESSES

KONECRANES
Lifting Businesses™

APPENDIXES

STATEMENT OF INCOME

MEUR	Q2 2013	Q2 2012	% Change
Sales	519.9	562.5	-7.6
Other operating income	0.6	0.6	
Depreciation and impairments	-11.1	-10.9	
Other operating expenses	-492.2	-517.2	
Operating profit	17.2	35.1	-50.8
Share of associates' and joint ventures' result	1.7	1.7	
Financial income and expenses	-3.1	-3.8	
Profit before taxes	15.8	32.9	-52.1
Taxes	-4.7	-9.8	
Net profit for the period	11.1	23.1	-52.0

BALANCE SHEET

MEUR	June 30, 2013	June 30, 2012	MEUR	June 30, 2013	June 30, 2012
Non-current assets	494.3	465.8	Equity	427.9	427.8
Inventories	374.2	398.4	Non-current liabilities	229.8	290.6
Other current assets	562.4	585.3	Provisions	42.9	48.7
Cash and cash equivalents	107.8	167.9	Current liabilities	838.2	850.3
Total assets	1,538.7	1,617.5	Total equity and liabilities	1,538.7	1,617.5

CASH FLOW STATEMENT

MEUR	H1 2013	H1 2012
Operating income before change in net working capital	58.7	81.0
Change in net working capital	-25.0	-26.7
Financing items and taxes	-33.8	-25.7
Net cash from operating activities	**-0.1**	**28.6**
Cash flow from investing activities	**-34.9**	**-28.5**
Cash flow before financing activities	**-35.0**	**0.2**
Proceeds from options exercised and share issues	5.9	0.4
Change in interest-bearing debt	53.1	149.4
Dividends paid to equity holders of the parent	-60.6	-57.2
Net cash used in financing activities	**-1.6**	**92.6**
Translation differences in cash	-1.0	1.7
Change of cash and cash equivalents	**-37.5**	**94.4**
Cash and cash equivalents at beginning of period	145.3	73.5
Cash and cash equivalents at end of period	107.8	167.9
Change of cash and cash equivalents	**-37.5**	**94.4**

KONECRANES®

KEY FIGURES

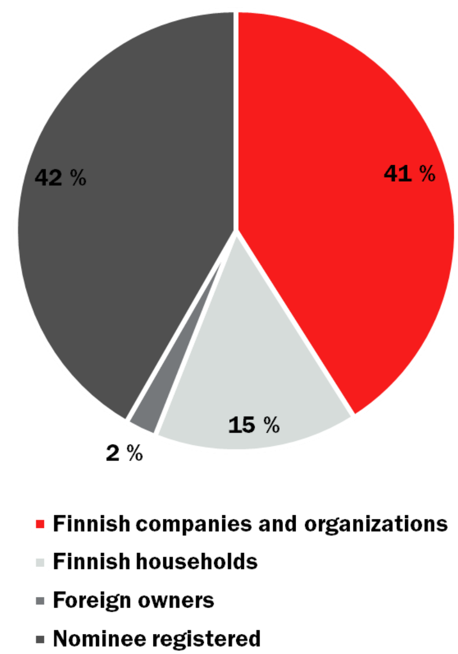
MEUR	H1 2013	H1 2012	% Change
Earnings per share, basic, EUR	0.38	0.65	-41.2
Earnings per share, diluted, EUR	0.38	0.64	-41.1
Return on capital employed %, R12M	14.1	17.2	
Return on equity %, R12M	16.2	18.3	
Equity per share, EUR	7.29	7.37	-1.1
Current ratio	1.2	1.2	
Gearing (%)	63.0	64.3	
Solidity (%)	32.1	30.1	
EBITDA, MEUR	57.6	79.6	-27.7
Investments total (excl. acquisitions), MEUR	33.8	17.2	96.8
Interest-bearing net debt, MEUR	269.6	275.2	-2.0
Net working capital, MEUR	340.3	350.8	-3.0
Personnel at end of period	11,941	11,924	0.1
Personnel on average during the period	12,056	11,777	2.4
Average number of shares outstanding, basic	57,557,638	57,203,658	0.6
Average number of shares outstanding, diluted	57,787,923	57,509,366	0.5
Number of shares outstanding	57,800,620	57,229,886	1.0

THE LARGEST SHAREHOLDERS

Largest shareholders on June 30, 2013	Number of shares	% of all shares
1 HTT KCR Holding Oy Ab	6,870,568	10.9
2 Nordea Investment Funds	2,574,707	4.1
3 Gustavson Stig, Chairman of the Board of Konecranes and family *)	2,073,927	3.3
4 Varma Mutual Pension Insurance Company	1,190,275	1.9
5 Nordea Nordenfonden	923,241	1.5
6 The State Pension Fund	918,000	1.5
7 Ilmarinen Mutual Pension Insurance Company	795,225	1.3
8 Sigrid Juselius Foundation	638,500	1.0
9 Folkhälsan non-governmental organization svenska Finland	535,600	0.9
10 Fondita Funds	534,500	0.8
Konecranes Plc's treasury shares	**5,471,722**	**8.7**
Nominee registered shares	**26,355,092**	**41.7**
Other shareholders	**12,382,008**	**20.1**
Total number of shares	**63,272,342**	**100.0**

*) Konecranes Plc has on December 28, 2011 received information according to which the Chairman of the company's Board of Directors Stig Gustavson has donated all of his shares in Konecranes Plc to his near relatives retaining himself for life the voting rights and right to dividend attached to the donated shares. The donation encompasses in total 2,069,778 shares which corresponds to approximately 3.27 percent of all of the company's shares and voting rights.

Market cap EUR 1,266 million excluding treasury shares



Trading information
- Listing: NASDAX OMX Helsinki
- Date of listing: March 27, 1996
- Segment: Large Cap
- Sector: Industrials
- Trading code: KCR1V
- 1 –6/13 average daily trading volume 261,588 shares, EUR 6.8 million

CONTACT INFORMATION

Pekka Lundmark, President and CEO
Tel. +358 (0)20 427 2000
pekka.lundmark@konecranes.com

Teo Ottola, Chief Financial Officer
Tel.+358 (0)20 427 2040
teo.ottola@konecranes.com

Miikka Kinnunen, Director,
Investor Relations
Tel. +358 (0)20 427 2050
miikka.kinnunen@konecranes.com

Anna-Mari Kautto, Assistant,
Investor Relations
Tel. +358 (0)20 427 2960
anna-mari.kautto@konecranes.com

www.konecranes.com