

# CARNEGIE CAPITAL GOODS SEMINAR

March 10, 2016  
Teo Ottola, CFO



# FORWARD-LOOKING STATEMENTS

This document contains forward-looking statements regarding future events, including statements regarding Terex or Konecranes, the transaction described in this document and the expected benefits of such transaction and future financial performance of the combined businesses of Terex and Konecranes based on each of their current expectations. These statements involve risks and uncertainties that may cause results to differ materially from those set forth in the statements. When included in this document, the words “may,” “expects,” “intends,” “anticipates,” “plans,” “projects,” “estimates” and the negatives thereof and analogous or similar expressions are intended to identify forward-looking statements. However, the absence of these words does not mean that the statement is not forward-looking. Terex and Konecranes have based these forward-looking statements on current expectations and projections about future events. These statements are not guarantees of future performance.

Because forward-looking statements involve risks and uncertainties, actual results could differ materially. Such risks and uncertainties, many of which are beyond the control of Konecranes, include, among others: the ability of Terex and Konecranes to obtain shareholder approval for the transaction, the ability of Terex and Konecranes to obtain regulatory approval for the transaction, the possibility that the length of time required to complete the transaction will be longer than anticipated, the achievement of the expected benefits of the transaction, risks associated with the integration of the businesses of Terex and Konecranes, the possibility that the businesses of Terex and Konecranes may suffer as a result of uncertainty surrounding the proposed transaction, and other factors, risks and uncertainties that are more specifically set forth in Terex’ public filings with the SEC and Konecranes’ annual and interim reports. Konecranes disclaims any obligation to update the forward-looking statements contained herein.

# IMPORTANT ADDITIONAL INFORMATION

This document relates to the proposed merger of Terex and Konecranes through which all of Terex' common stock will be exchanged for Konecranes ordinary shares (or American depositary shares, if required). This document is for informational purposes only and does not constitute an offer to purchase or exchange, or a solicitation of an offer to sell or exchange, all of common stock of Terex, nor is it a substitute for the Preliminary Prospectus included in the Registration Statement on Form F-4 (the "Registration Statement") to be filed by Konecranes with the SEC, the Prospectus/Proxy to be filed by Terex with the SEC, the listing prospectus of Konecranes to be filed by Konecranes with the Finnish Financial Supervisory Authority (and as amended and supplemented from time to time, the "Merger Documents"). No offering of securities shall be made in the United States except by means of a prospectus meeting the requirements of Section 10 of the U.S. Securities Act of 1933.

INVESTORS AND SECURITY HOLDERS ARE URGED TO READ THE MERGER DOCUMENTS AND ALL OTHER RELEVANT DOCUMENTS THAT KONECRANES OR TEREX HAS FILED OR MAY FILE WITH THE SEC, NASDAQ HELSINKI, OR FINNISH FINANCIAL SUPERVISORY AUTHORITY WHEN THEY BECOME AVAILABLE BECAUSE THEY CONTAIN OR WILL CONTAIN IMPORTANT INFORMATION THAT INVESTORS AND SECURITY HOLDERS SHOULD CONSIDER BEFORE MAKING ANY DECISION REGARDING THE PROPOSED MERGER.

The information contained in this document must not be published, released or distributed, directly or indirectly, in any jurisdiction where the publication, release or distribution of such information is restricted by laws or regulations. Therefore, persons in such jurisdictions into which these materials are published, released or distributed must inform themselves about and comply with such laws or regulations. Konecranes and Terex do not accept any responsibility for any violation by any person of any such restrictions. The Merger Documents and other documents referred to above, if filed or furnished by Konecranes or Terex with the SEC, as applicable, will be available free of charge at the SEC's website ([www.sec.gov](http://www.sec.gov)) or by writing to Anna-Mari Kautto, Investor Relations Assistant, Konecranes Plc, P.O. Box 661, FI-05801 Hyvinkää, Finland or Elizabeth Gaal, Investor Relations Associate, Terex, 200 Nyala Farm Road, Westport, CT 06880, USA.

Konecranes and Terex and their respective directors, executive officers and employees and other persons may be deemed to be participants in the solicitation of proxies in respect of the transaction. Information regarding Konecranes' directors and executive officers is available in Konecranes' annual report for fiscal year 2014 at [www.konecranes.com](http://www.konecranes.com). Information about Terex' directors and executive officers and their ownership of Terex ordinary shares is available in its Schedule 14A filed with the SEC on April 1, 2015. Other information regarding the interests of such individuals as well as information regarding Konecranes' and Terex' directors and officers will be available in the proxy statement/prospectus when it becomes available. These documents can be obtained free of charge from the sources indicated above.



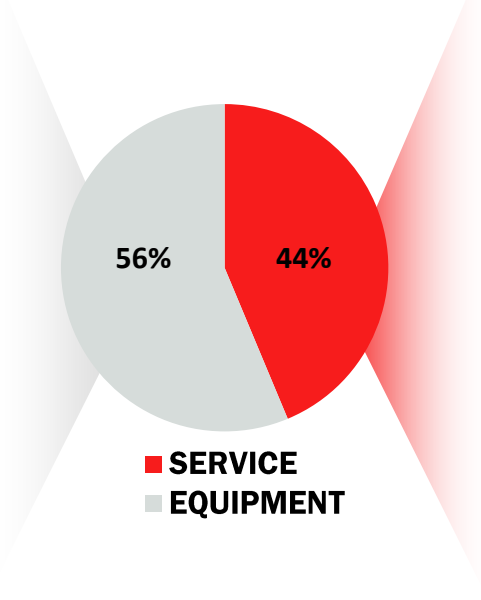
# BUSINESS AREAS

## EQUIPMENT

- Lifting equipment for manufacturing and process industries, shipyards, ports, and terminals
- Improving the safety and productivity of our customers' operations
- World's largest supplier of industrial cranes & components, one of the largest suppliers of port cranes and heavy-duty lift trucks
- Annual production of tens of thousands of wire rope and electric chain hoists, thousands of standard cranes, hundreds of heavy-duty cranes, lift trucks and port cranes

## SERVICE

- Inspections, preventive maintenance programs, spare parts, modernizations
- TRUCONNECT® Remote Services for real-time diagnostics, technical support and production monitoring
- Market leader in crane service, with the world's most extensive crane service network
- More than 450,000 units covered by maintenance contracts, of which approximately a quarter are manufactured by Konecranes



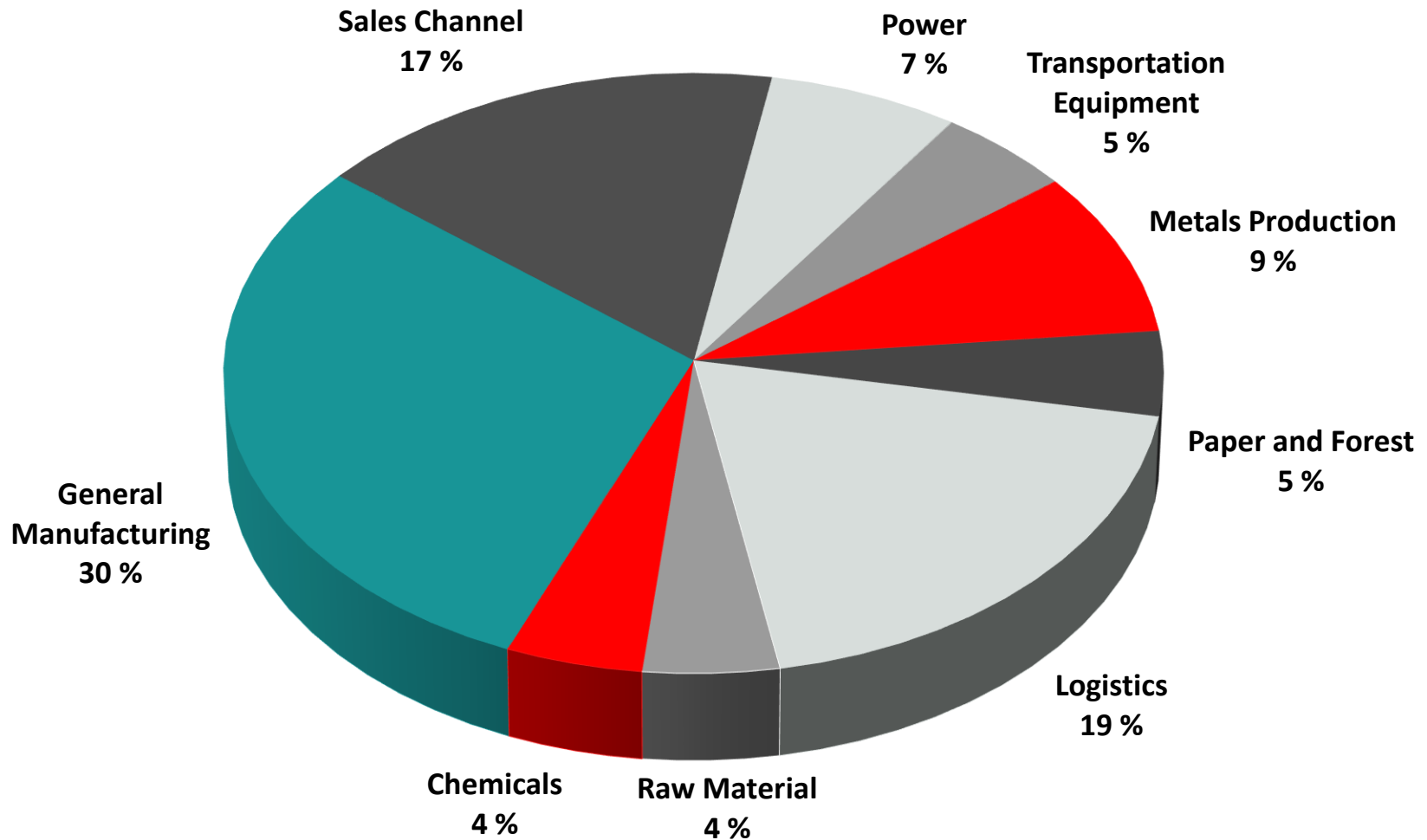
## Brand Portfolio



- The Group's brand strategy is centered upon the corporate Konecranes master brand, which is complemented by a portfolio of freestanding power brands
  - Konecranes branded products are sold directly to end-users, while power-branded products are sold to distributors and independent crane builders.

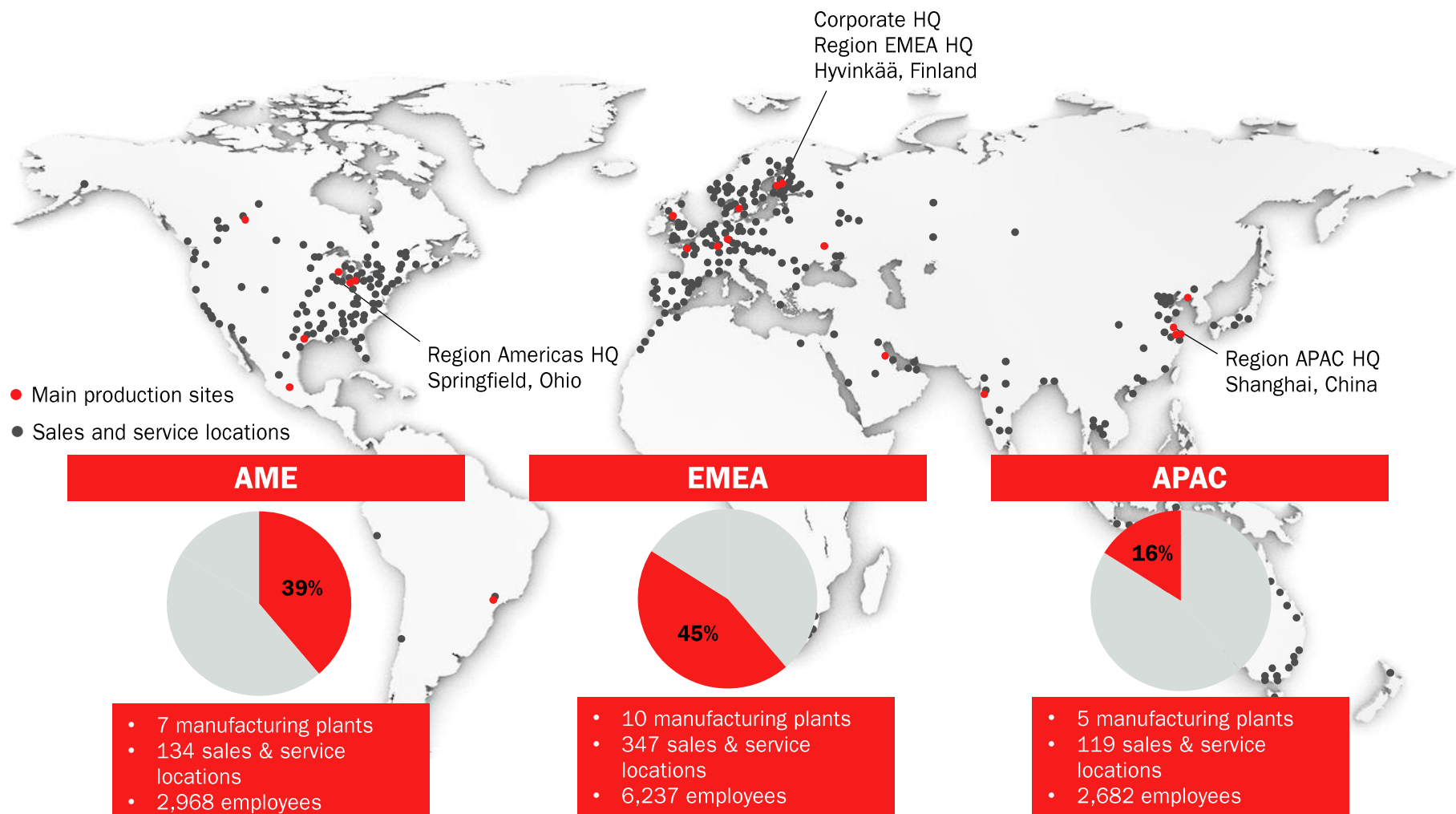
Note: Based on R12M financials.

# CUSTOMER SEGMENTS



Note: Based on R12M financials.

# GLOBAL REACH



Note: Based on 2015 financials.



## Q4/15 RESULTS

# HIGHLIGHTS OF Q4/15

- + Container handling equipment orders on a good level
- + Service EBIT continued to improve
- + Cost savings delivering expected results
- Business conditions remained challenging among industrial customers, emerging and commodity markets hampering demand
- Lack of growth in Service order intake
- Equipment profitability

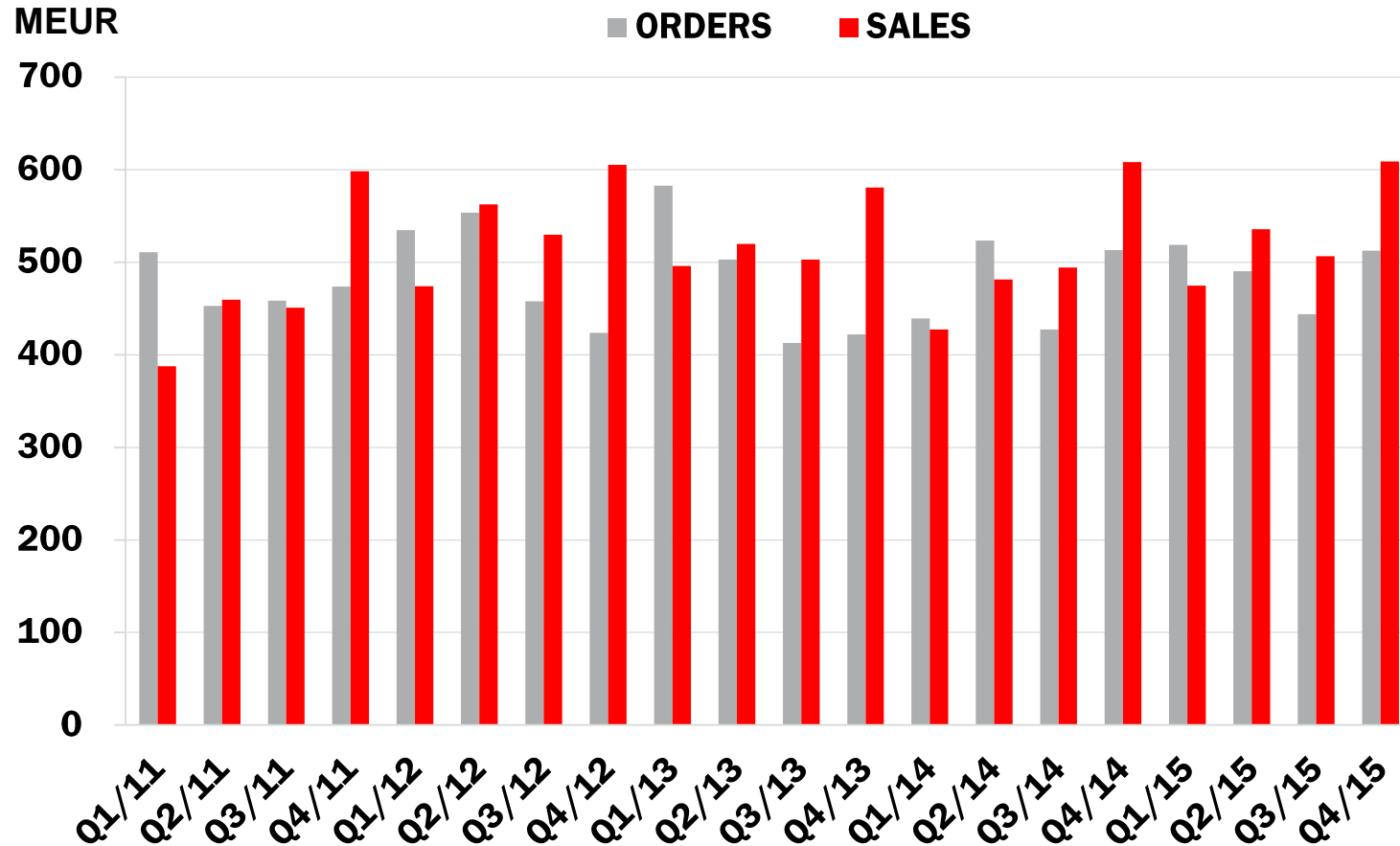
Q4 ORDERS RECEIVED Y/Y	EMEA	AME	APAC
SERVICE			
EQUIPMENT			

**Board of Directors proposes a dividend of EUR 1.05 per share**



# GROUP ORDERS AND NET SALES

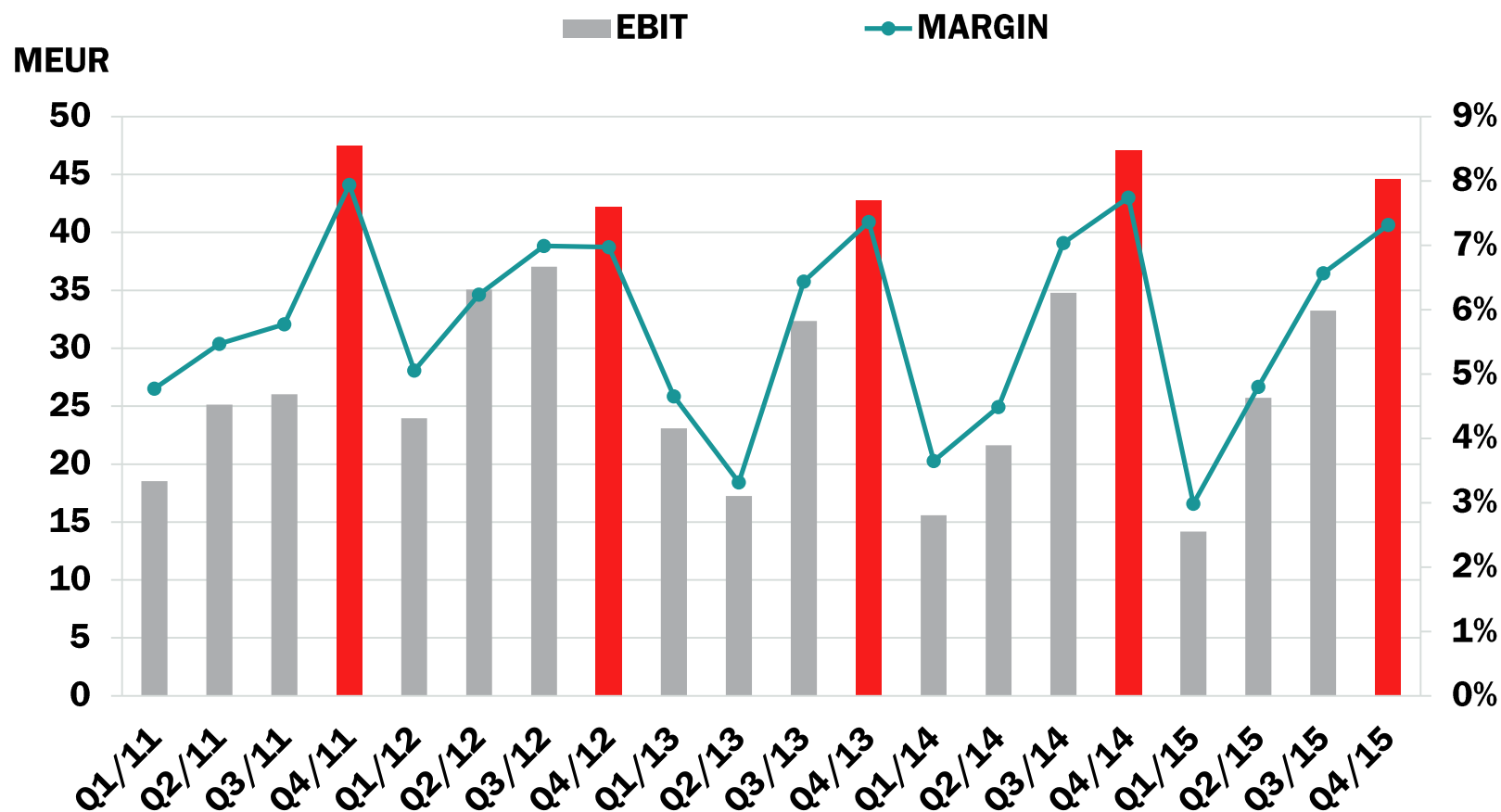
Q4 Orders: 512.5 (513.3) MEUR, -0.1%\* | Net sales: 609.0 (608.1) MEUR, +0.1%\*\*



\*-4.6% at comparable currencies, \*\*-3.9% at comparable currencies

# GROUP EBIT & MARGIN

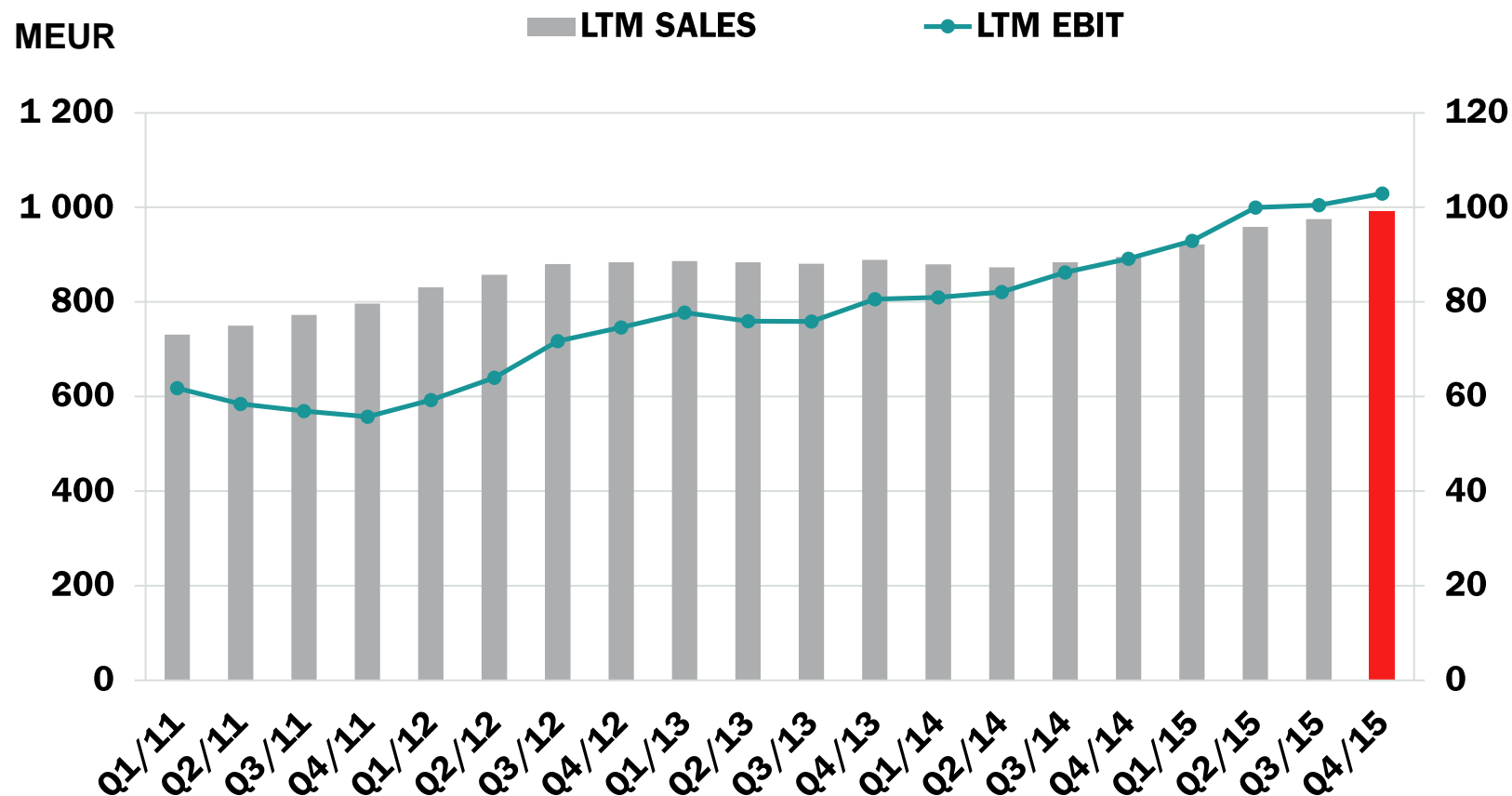
**Q4 EBIT: 44.6 (47.1) MEUR, -5.3% | MARGIN: 7.3% (7.7%), excluding non-recurring items\***



\*Non-recurring items for 2015 include restructuring costs, transaction costs relating to the Terex merger, and unwarranted payments due to identity theft and fraudulent actions. Prior years' figures excluding restructuring costs.

# SERVICE NET SALES AND EBIT

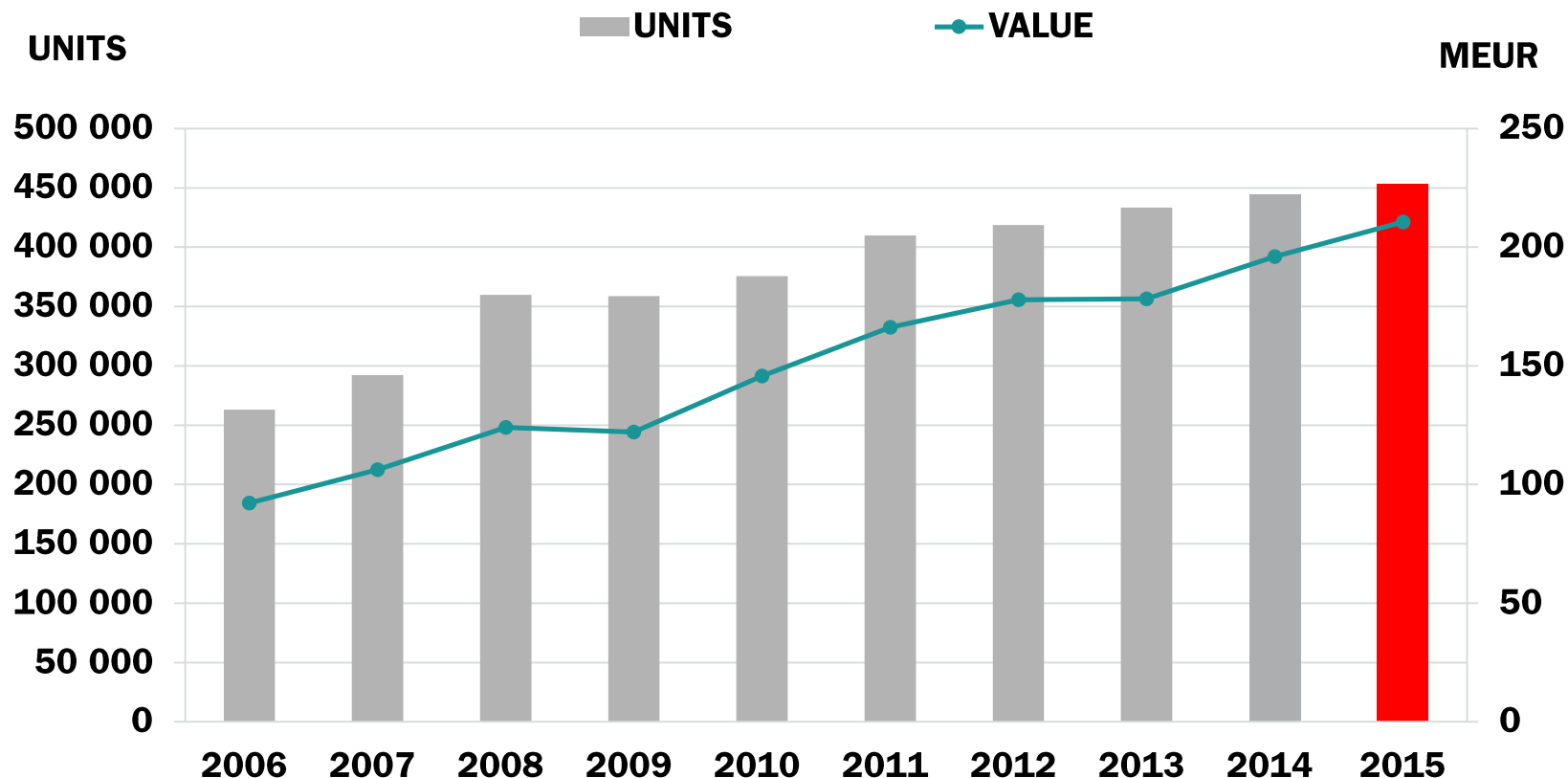
**R12M Sales: 992.3 (895.1) MEUR, +10.9%\* | EBIT: 102.9 (89.1) MEUR, +15.5%,  
excluding restructuring costs**



\*+2.1% at comparable currencies

# SERVICE CONTRACT BASE

Q4 CB: 454 (444) thousand units, +2.1% | Annual value 210.6 (196.0) MEUR, +7.5%\*

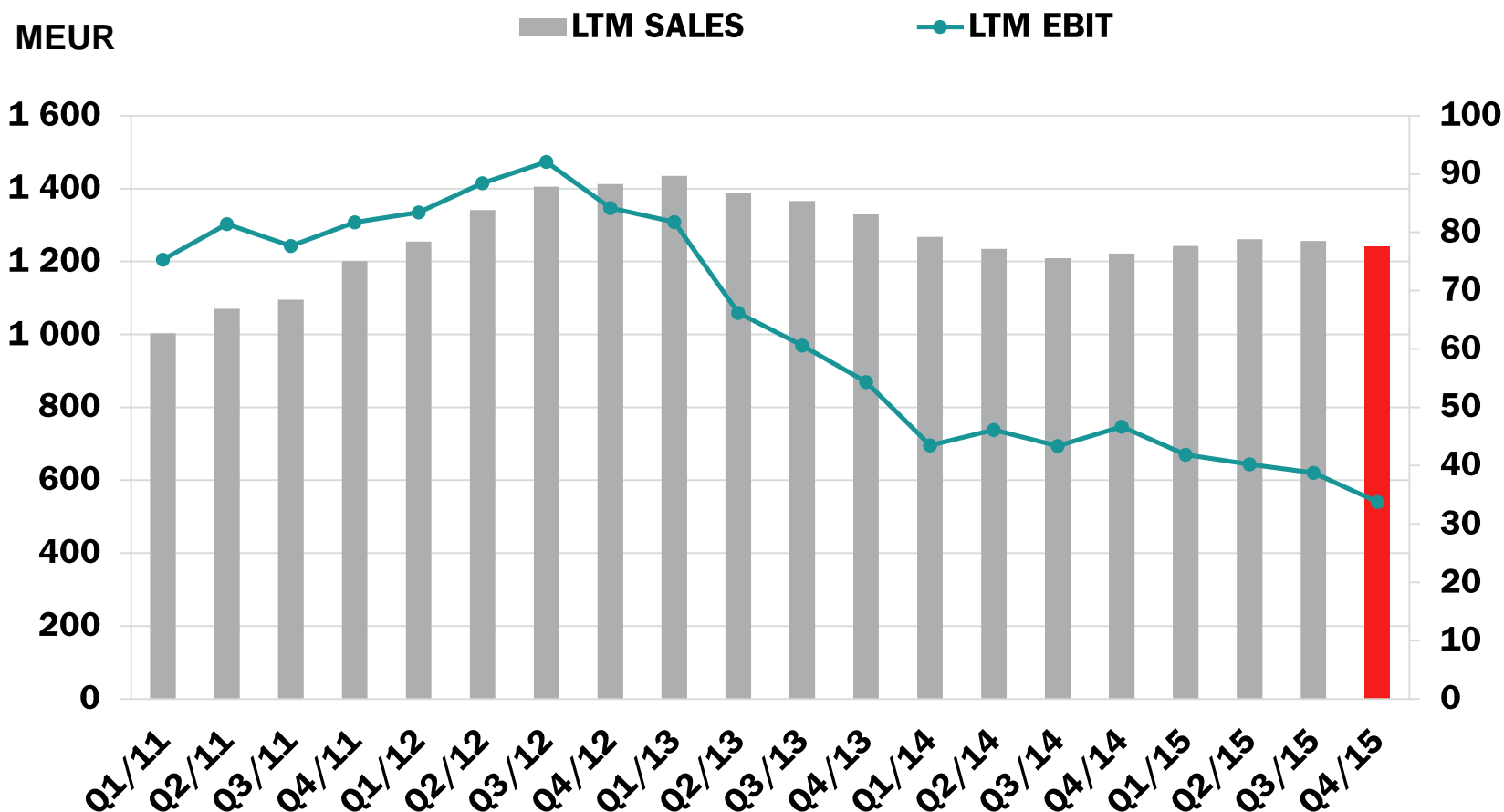


\*+2.9% at comparable currencies



# EQUIPMENT NET SALES AND EBIT

**R12M Sales: 1,240.3 (1,221.7) MEUR, +1.5%\* | EBIT: 33.8 (46.7) MEUR, -27.7%, excluding restructuring costs**



\*-3.9% at comparable currencies

# EQUIPMENT ORDER BOOK

**Q4 Order book: 870.7 (826.9) MEUR +5.3%\***

MEUR

1200

1000

800

600

400

200

0

Q1/11 Q2/11 Q3/11 Q4/11 Q1/12 Q2/12 Q3/12 Q4/12 Q1/13 Q2/13 Q3/13 Q4/13 Q1/14 Q2/14 Q3/14 Q4/14 Q1/15 Q2/15 Q3/15 Q4/15

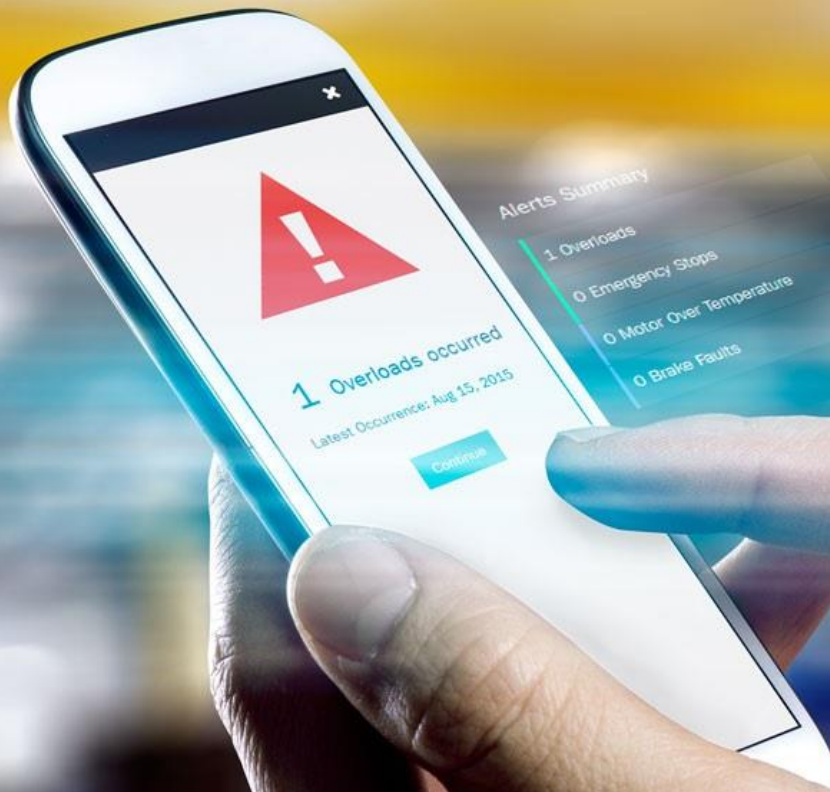
\*+2.8% at comparable currencies

## NEW COST SAVINGS ACTIONS, STREAMLINING OF REGIONAL STRUCTURE

- New cost savings of EUR 25 million by end-2017
  - Evaluation of business model in certain countries
  - Closures and rightsizing of manufacturing units and optimization of supply chain
  - Streamlining product portfolio and related resources
  - Consolidation of regional functions
- Restructuring costs of approx. EUR 20 million
- Reduction of internal regions from five to three to create opportunities for further efficiency improvement



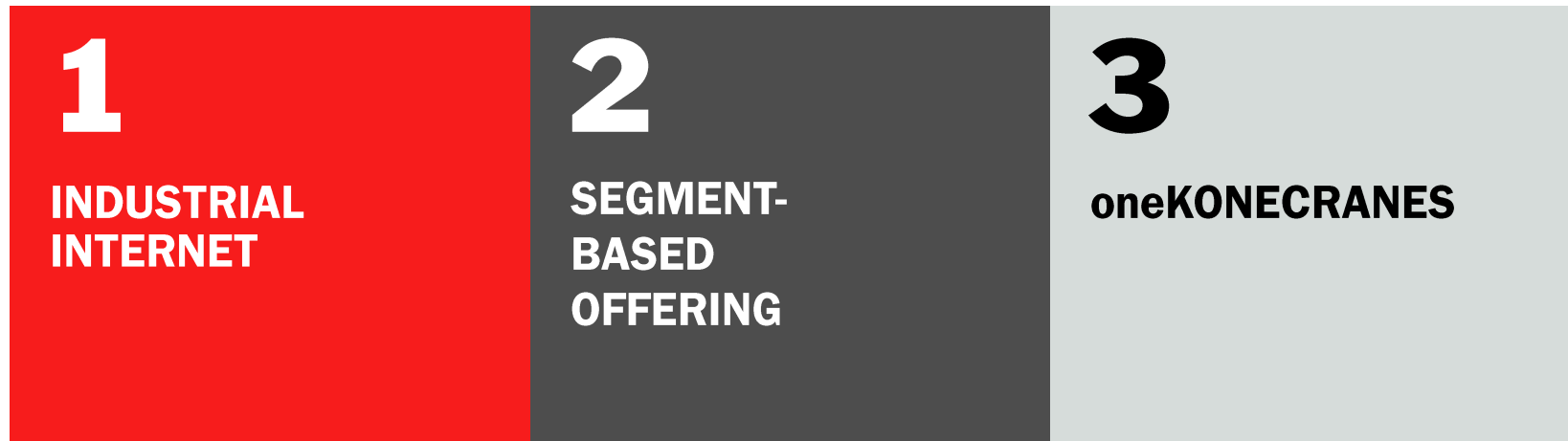
# KEY STRATEGIC INITIATIVES





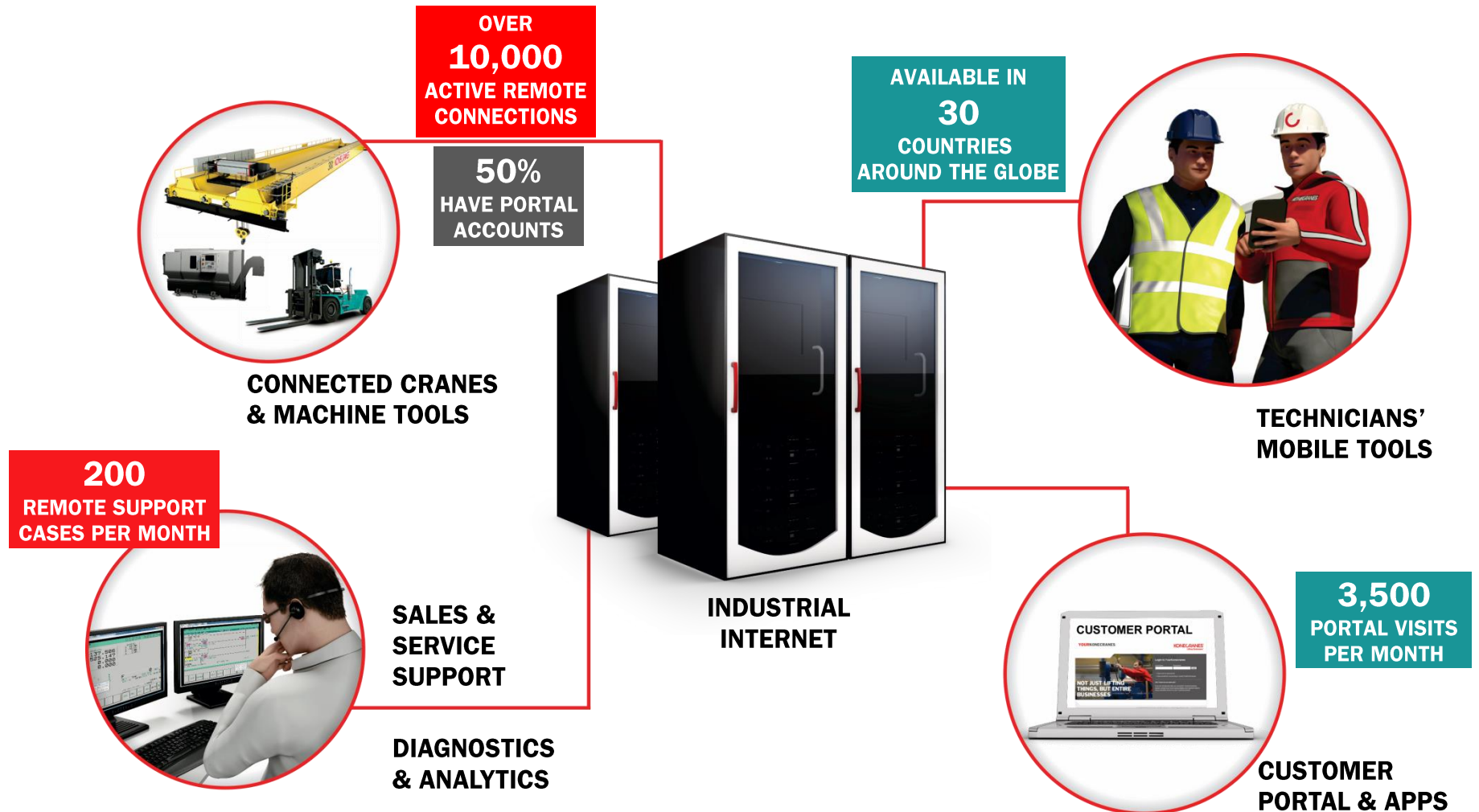
# KEY STRATEGIC INITIATIVES

Key strategic initiatives form a clear and highly focused path to reach our goals.



# REAL-TIME SERVICE

## TRANSPARENT AND SHARED INFORMATION



# OUR NEW CUSTOMER PORTAL YOURKONECRANES.COM





Remote Monitoring usage data can be viewed by fleet or a single piece of equipment.

Insights can be drawn by observing anomalies, patterns and trends, helping users make informed maintenance decisions.

Access to inspection and service reports, service schedules, maintenance histories, asset lists, service spend and agreement details. You can also use yourKONECRANES to initiate service requests.



# STATUS OF THE ERP INVESTMENTS

	Projects ongoing in:	Business benefits	Completion rate:
	Material delivery and finance (SAP)	<ul style="list-style-type: none"><li>• Productivity improvement</li><li>• Improved NWC</li><li>• Scale in sourcing</li><li>• Savings in logistics</li></ul>	
	Field service operations (Siebel)	<ul style="list-style-type: none"><li>• Productivity improvement</li><li>• Improved NWC</li><li>• Increased sales</li></ul>	

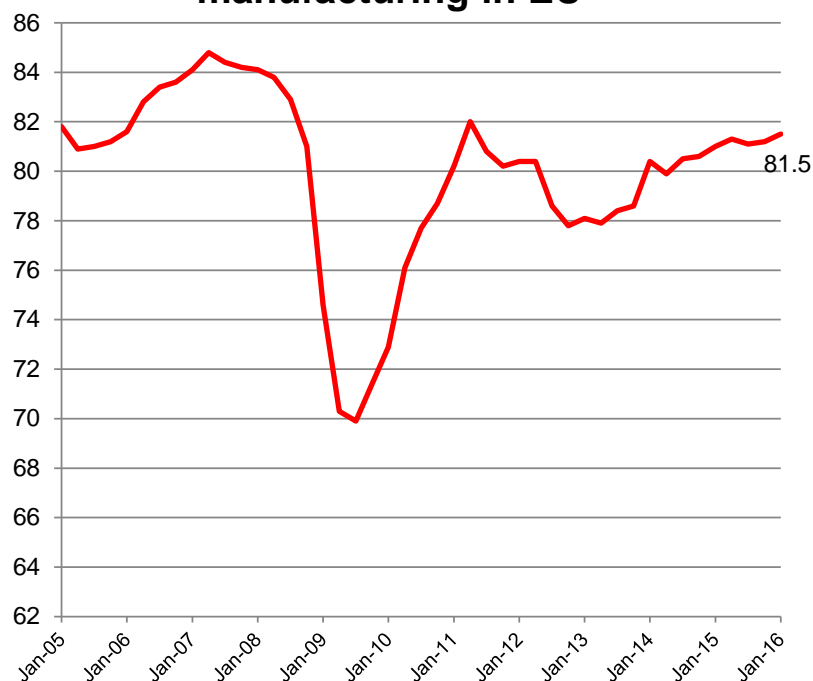




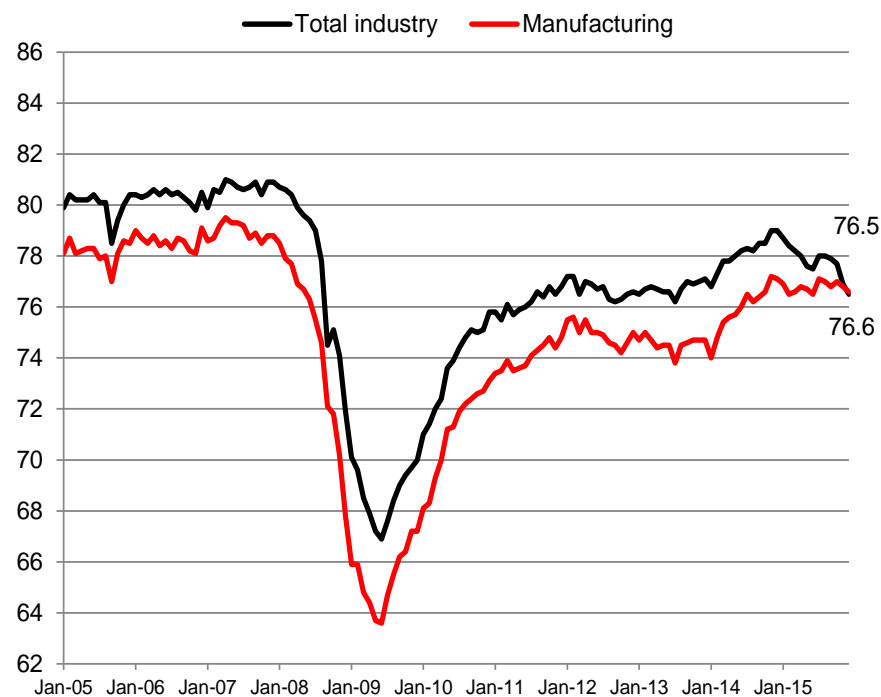
# MARKET INDICATORS AND OUTLOOK

# CAPACITY UTILIZATION: EU27 AND USA

## Capacity utilisation of manufacturing in EU



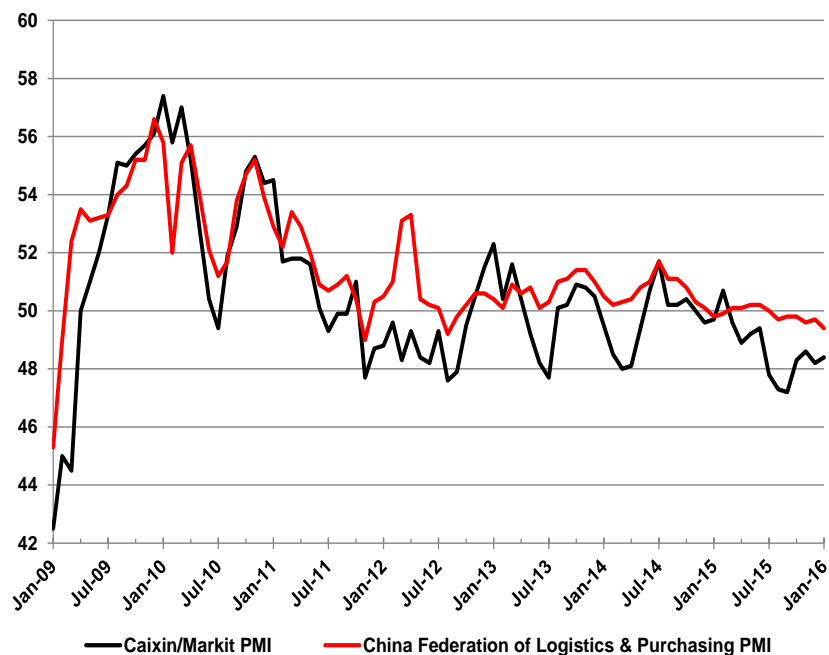
## Capacity utilisation in the USA



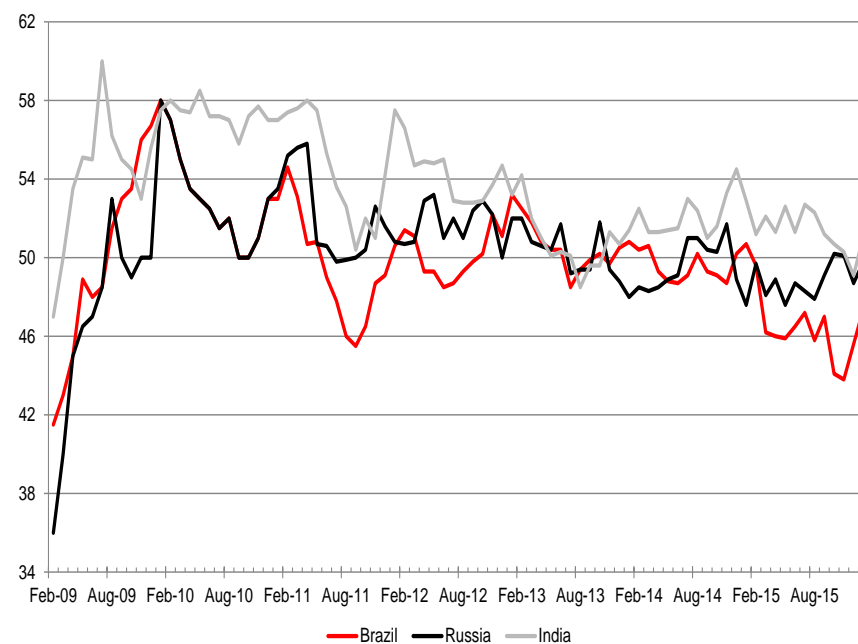
SOURCES: Eurostat (latest data point Q1/16), Federal Reserve Bank of St. Louis (December 2015)

# PMI'S IN THE BRIC COUNTRIES

Chinese manufacturing PMI

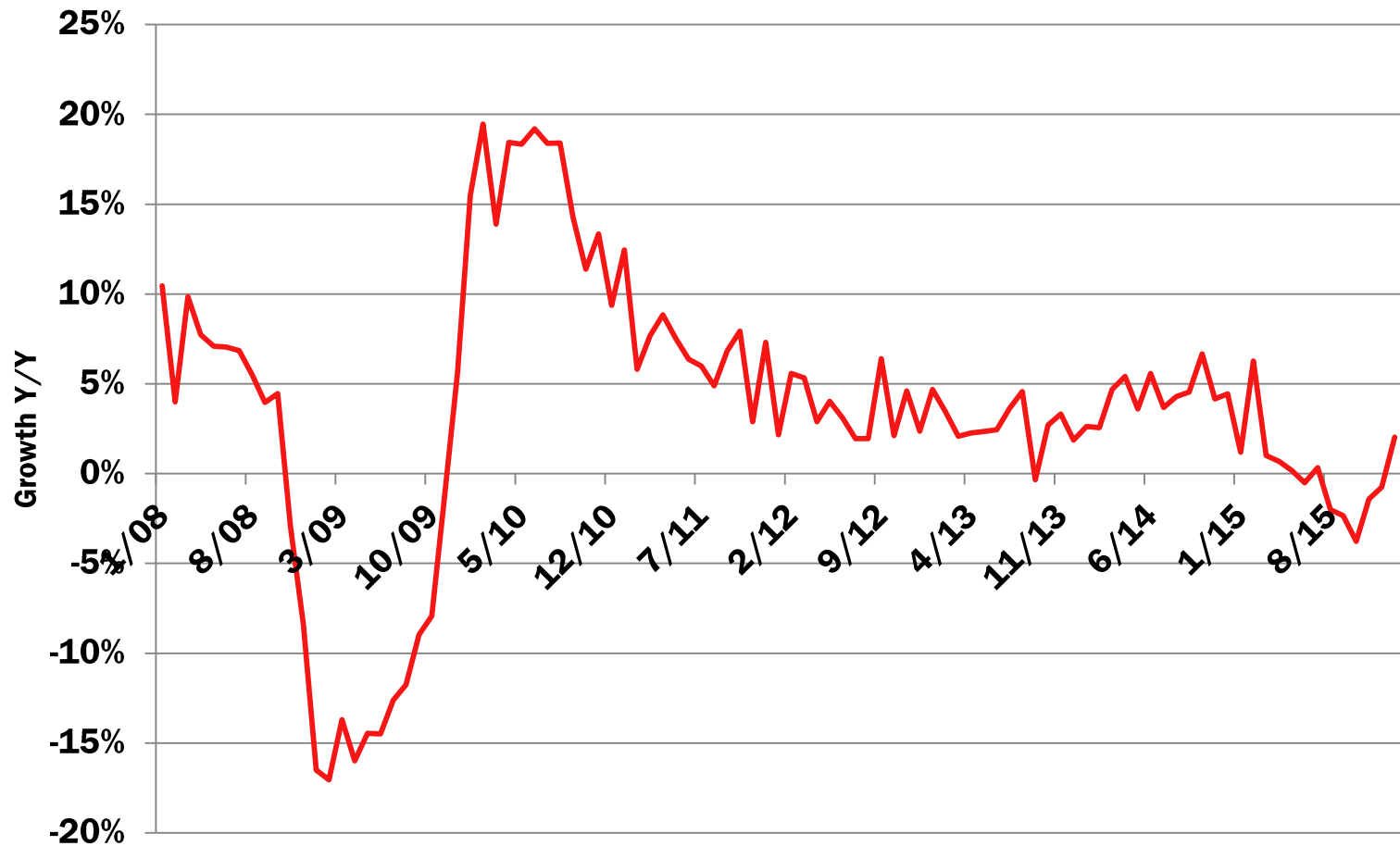


Brazil, Russia, India - PMI



SOURCES: Markit (latest data point January 2016)

# CONTAINER THROUGHPUT



Source: RWI/ISL Container Throughput Index (latest data point January 2016)

# MARKET OUTLOOK AND FINANCIAL GUIDANCE AS OF FEBRUARY 3, 2016

## Market outlook

- Customers are cautious about investing as economic growth has slowed down across the globe. Companies operating in emerging and commodity markets are particularly under pressure to save costs.
- Business activity in the North American manufacturing and process industries weakened toward the end of 2015 and demand outlook is more uncertain than a year ago.
- Demand situation in Europe is stable.
- Even though the global container throughput has slowed down, our offer base for container handling equipment has remained solid and the order book for 2016 deliveries is good.
- Continued contract base growth bodes well for the future of the service business.

## Financial guidance

- Based on the order book, the service contract base and the near-term demand outlook, sales in 2016 are expected to be higher than in 2015.
- We expect the 2016 operating profit, excluding non-recurring items, to improve from 2015.





**NOT JUST LIFTING  
THINGS, BUT ENTIRE  
BUSINESSES**