

Q1 2014 INTERIM REPORT

April 24, 2014

Pekka Lundmark, President and CEO

Teo Ottola, CFO

KONECRANES®



reddot award 2014
winner

HIGHLIGHTS OF Q1/14

- **Positives**

- Service order intake and contract base returned to growth
- Service EBIT margin continued to improve Y/Y
- Fixed cost development

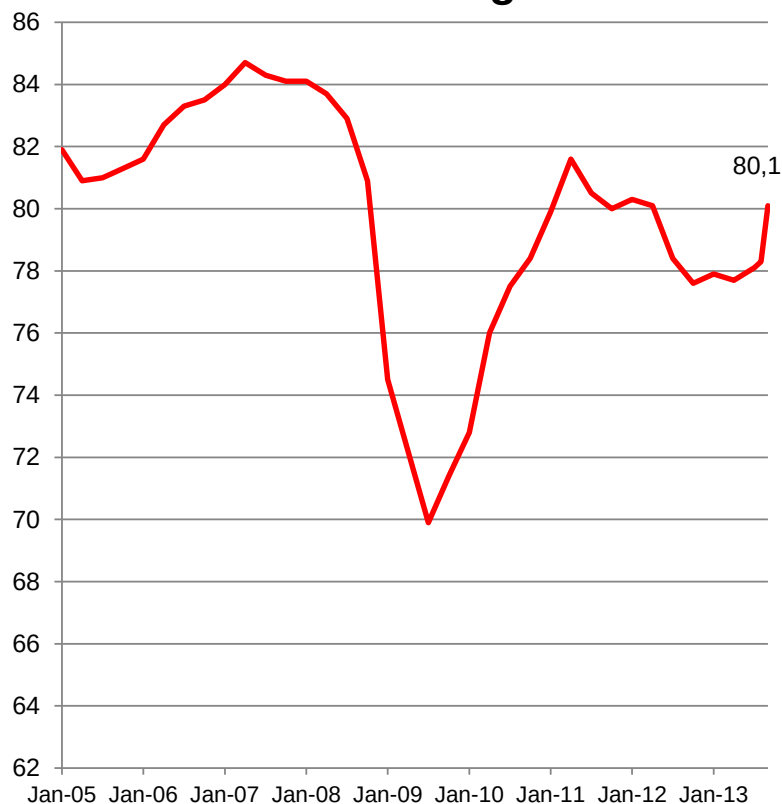
- **Negatives**

- Equipment order intake sequentially flat at low level
- Equipment EBIT burdened by low deliveries
- Negative cash flow, although partly due to timing issues

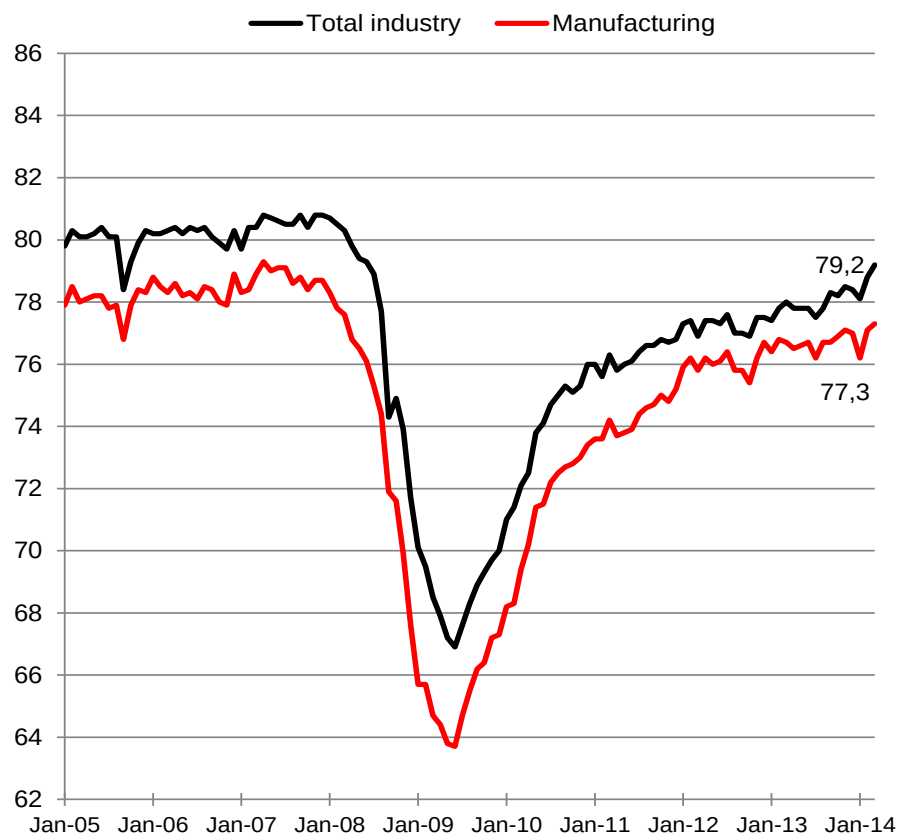
Q1 ORDERS RECEIVED Y/Y	EMEA	AME	APAC
SERVICE			
EQUIPMENT			

CAPACITY UTILIZATION: EU27 AND USA

Capacity utilisation of manufacturing in EU



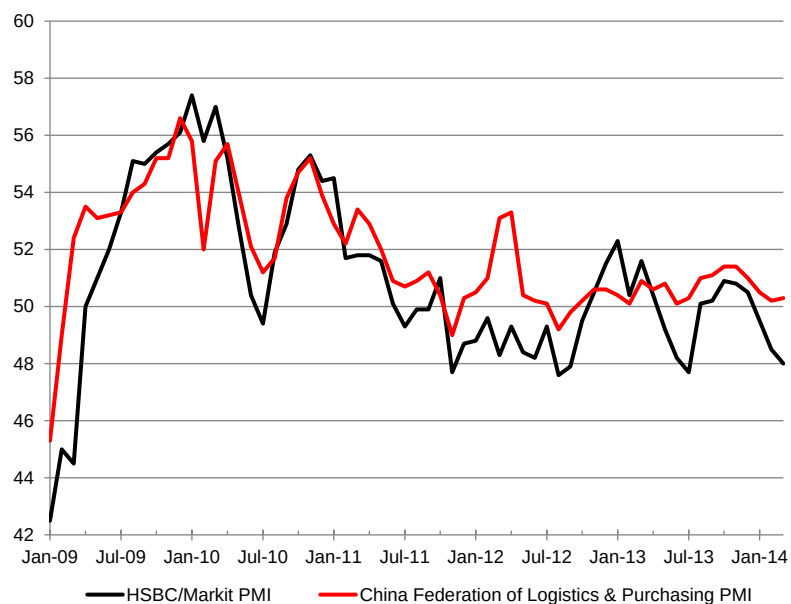
Capacity utilisation in the USA



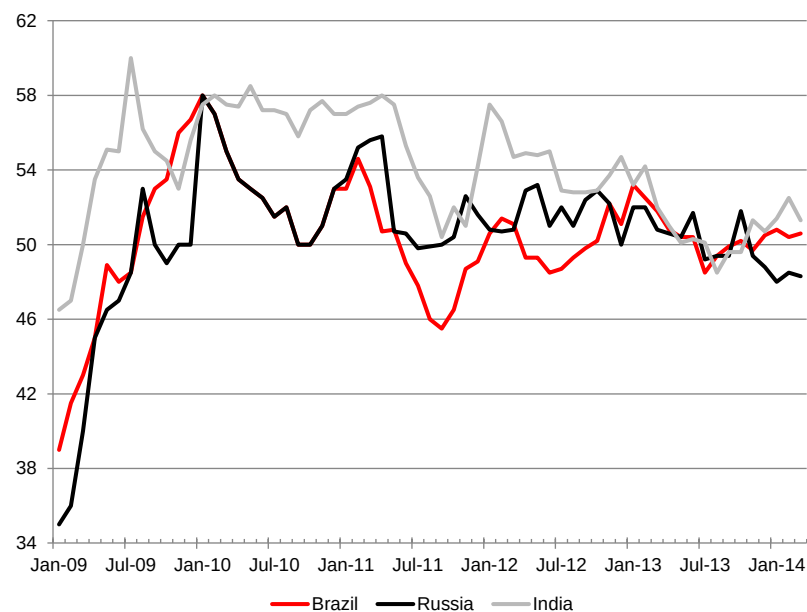
SOURCES: Eurostat (latest data point Q1/14), Federal Reserve Bank of St. Louis (March 2014)

PMI'S IN THE BRIC COUNTRIES

Chinese manufacturing PMI

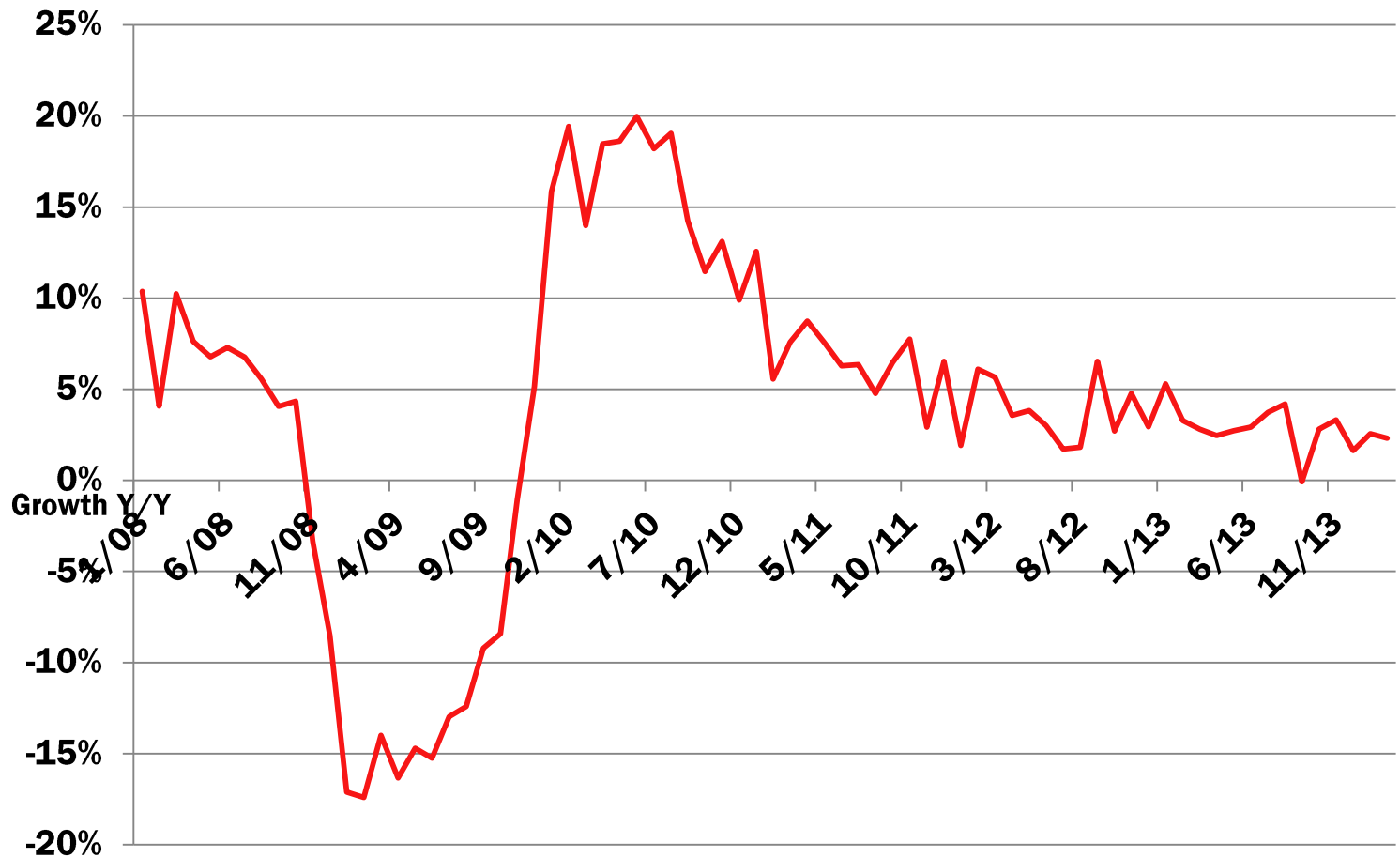


Brazil, Russia, India - PMI



SOURCES: HSBC/Markit (latest data point March 2014)

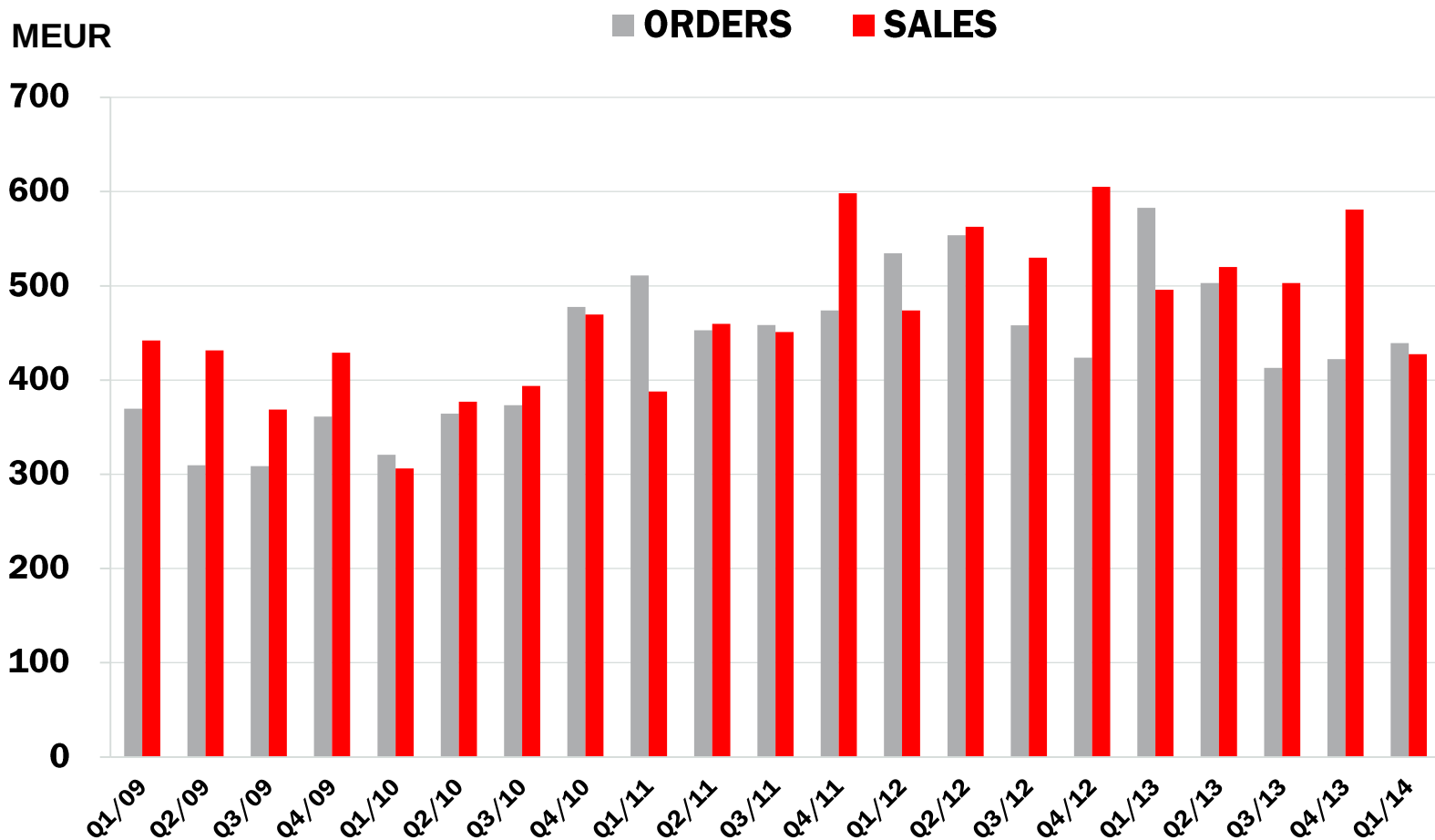
CONTAINER THROUGHPUT



Source: RWI/ISL Container Throughput Index (latest data point February 2014)

GROUP ORDERS AND NET SALES

Q1 Orders: 439.3 (582.7) MEUR, -24.6%* | Net sales: 427.3 (495.9) MEUR, -13.8%**

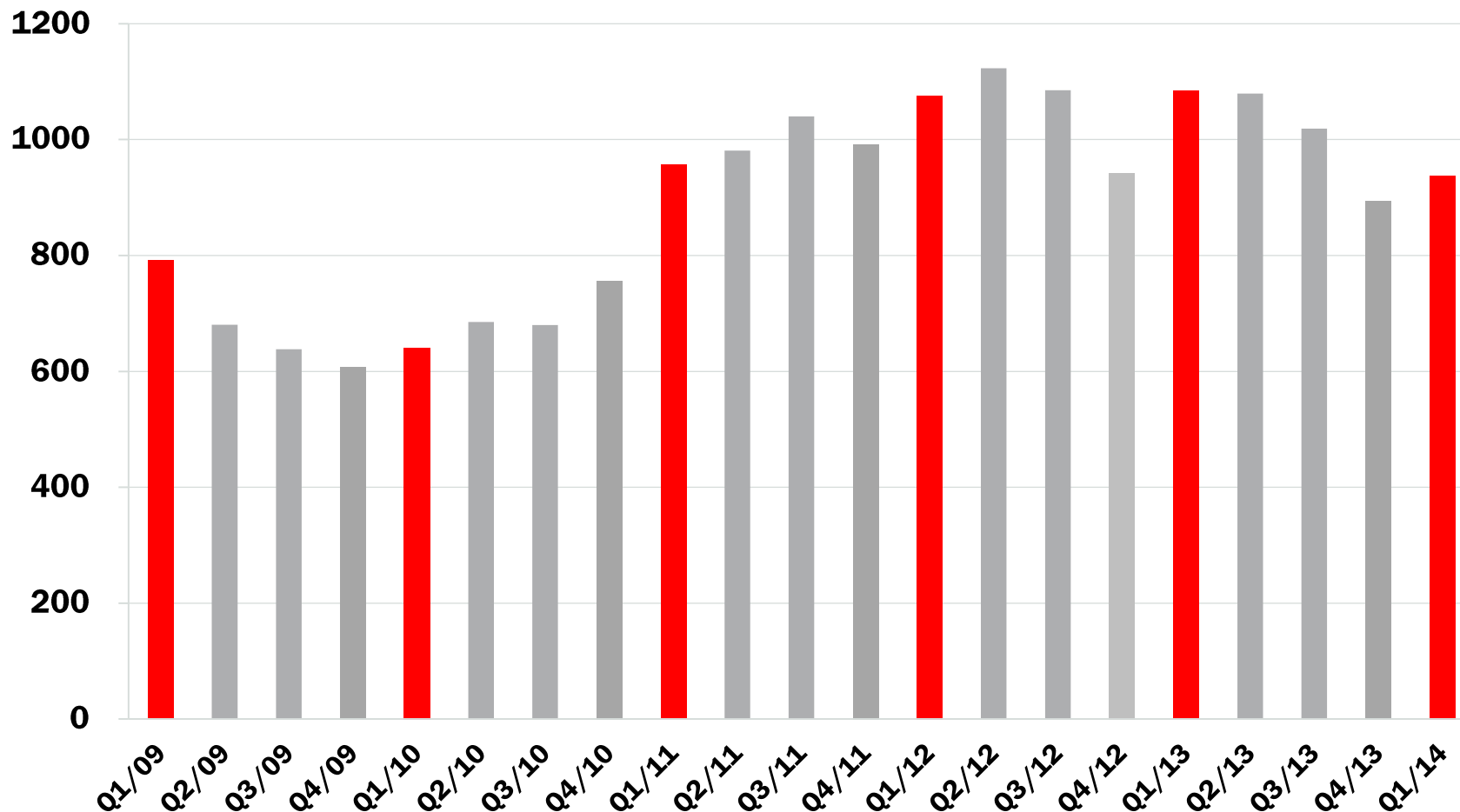


*-22.4% at comparable currencies, **-10.8% at comparable currencies

GROUP ORDER BOOK

Q1 Order book: 937.9 (1,084.0) MEUR, -13.5%*

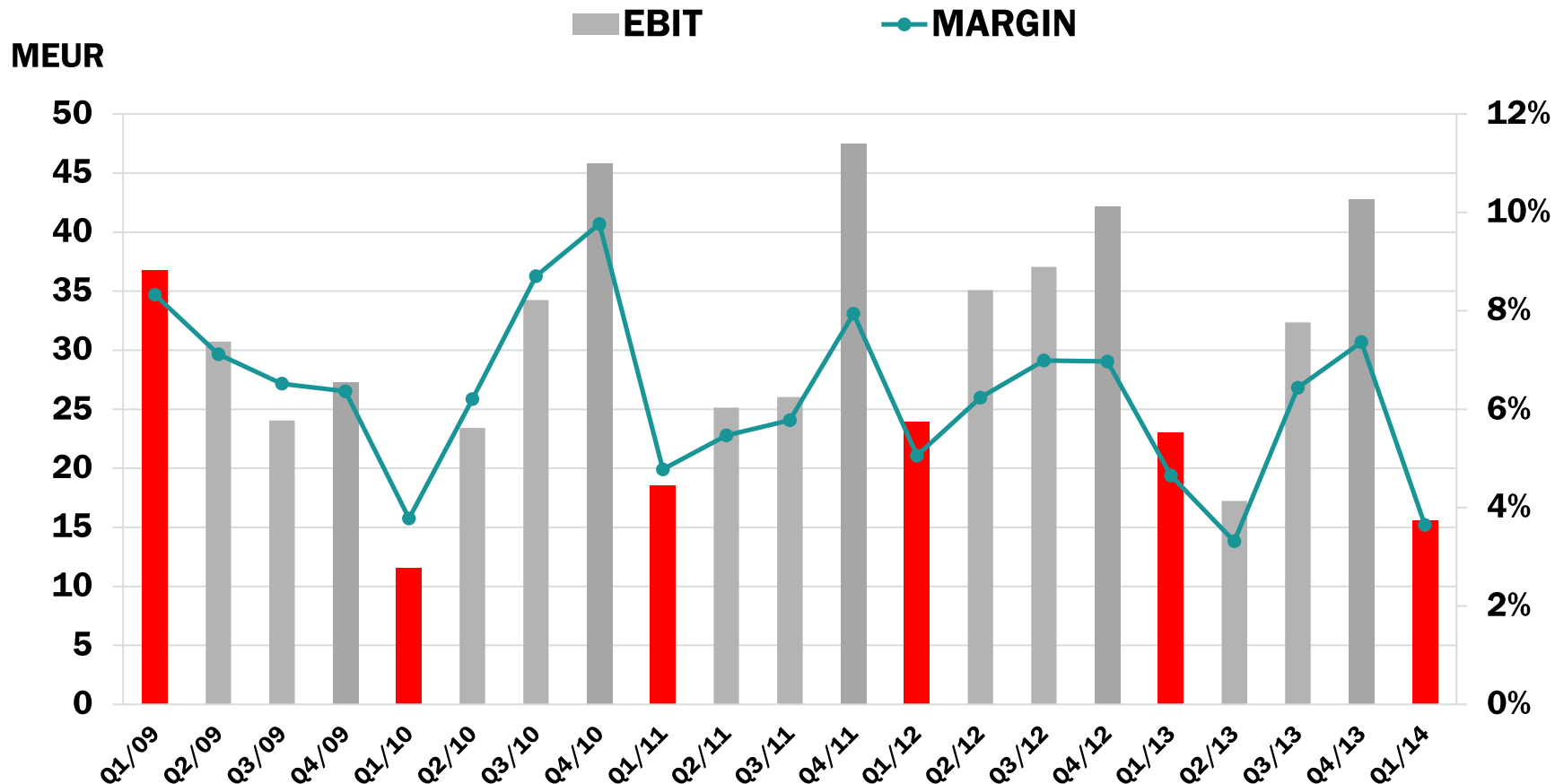
MEUR



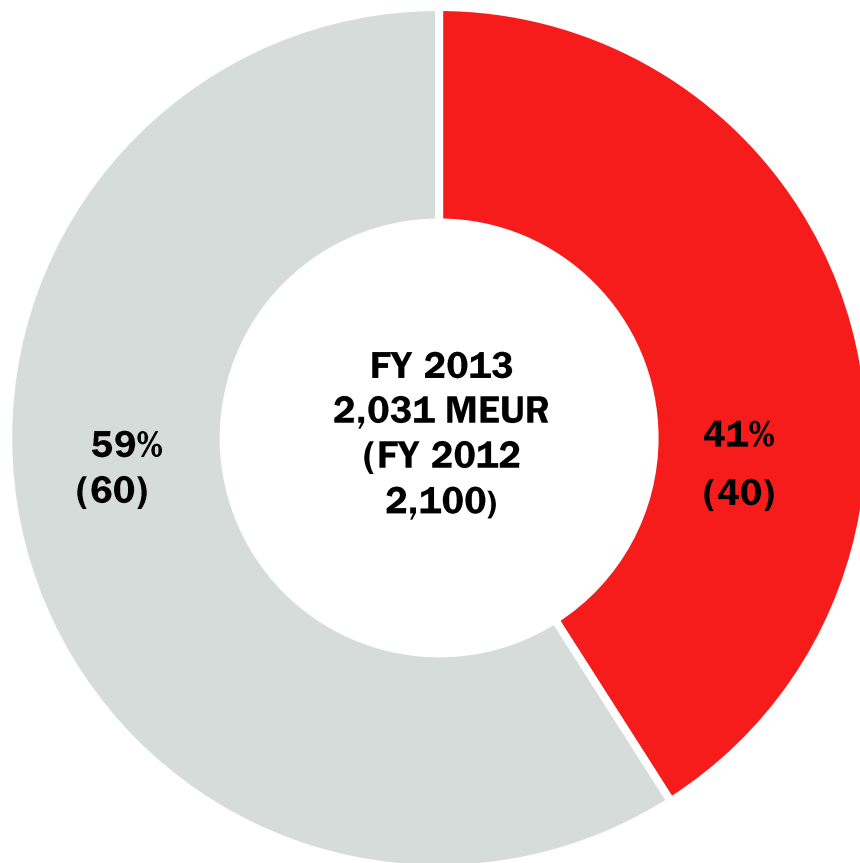
*-8.9% at comparable currencies

GROUP EBIT & MARGIN

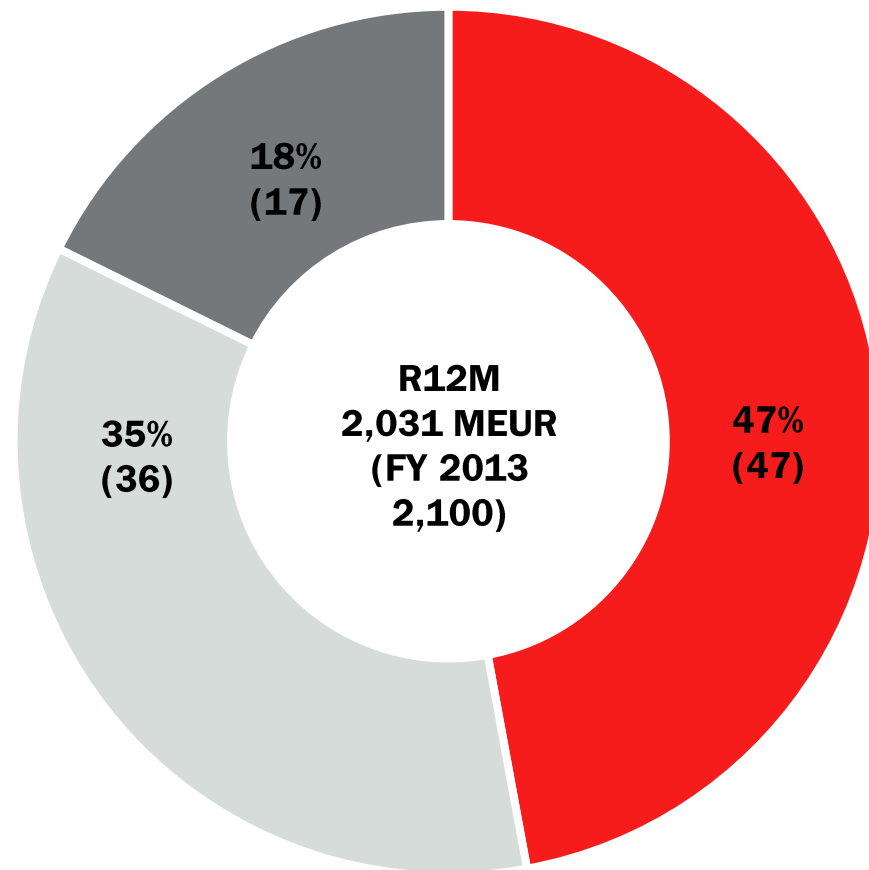
Q1 EBIT: 15.6 (23.1) MEUR, -32.5% | MARGIN: 3.6% (4.7%), excluding restructuring costs



SALES SPLIT BY BUSINESS AREA & REGION



■ SERVICE ■ EQUIPMENT



■ EMEA ■ AME ■ APAC

MARKET OUTLOOK AND FINANCIAL GUIDANCE AS OF APRIL 24, 2014

Market outlook

- The growth in industrial production and container traffic continues at moderate pace and below the historical averages.
- The near-term investment outlook within manufacturing and process industries, as well as container handling, remains uncertain.
- However, there are some positive macroeconomic signs mainly in the developed countries.

Financial guidance

- Sales in 2014 are expected to be approximately at the same level as in 2013.
- We expect the 2014 operating profit, excluding restructuring costs, to be approximately at the same level or to improve slightly from 2013.

CHANGES IN PERSONNEL

- Group headcount at year-end 2012 12,147 persons
- Personnel change due to restructuring programs ~ -575 persons
- Insourcing certain duties (cost neutral or positive impact) ~ +200 persons
- New recruitment mainly in Middle East, Africa and the Americas ~ +140 persons
- Group headcount at end-Q1/14 11,911 persons

BOXHUNTER

FOR A WORLD
THAT NEVER
SLEEPS



WE BROUGHT DOWN THE CABIN

The RTG reinvented

- Operator in heads-up position
- Direct sight to truck lane



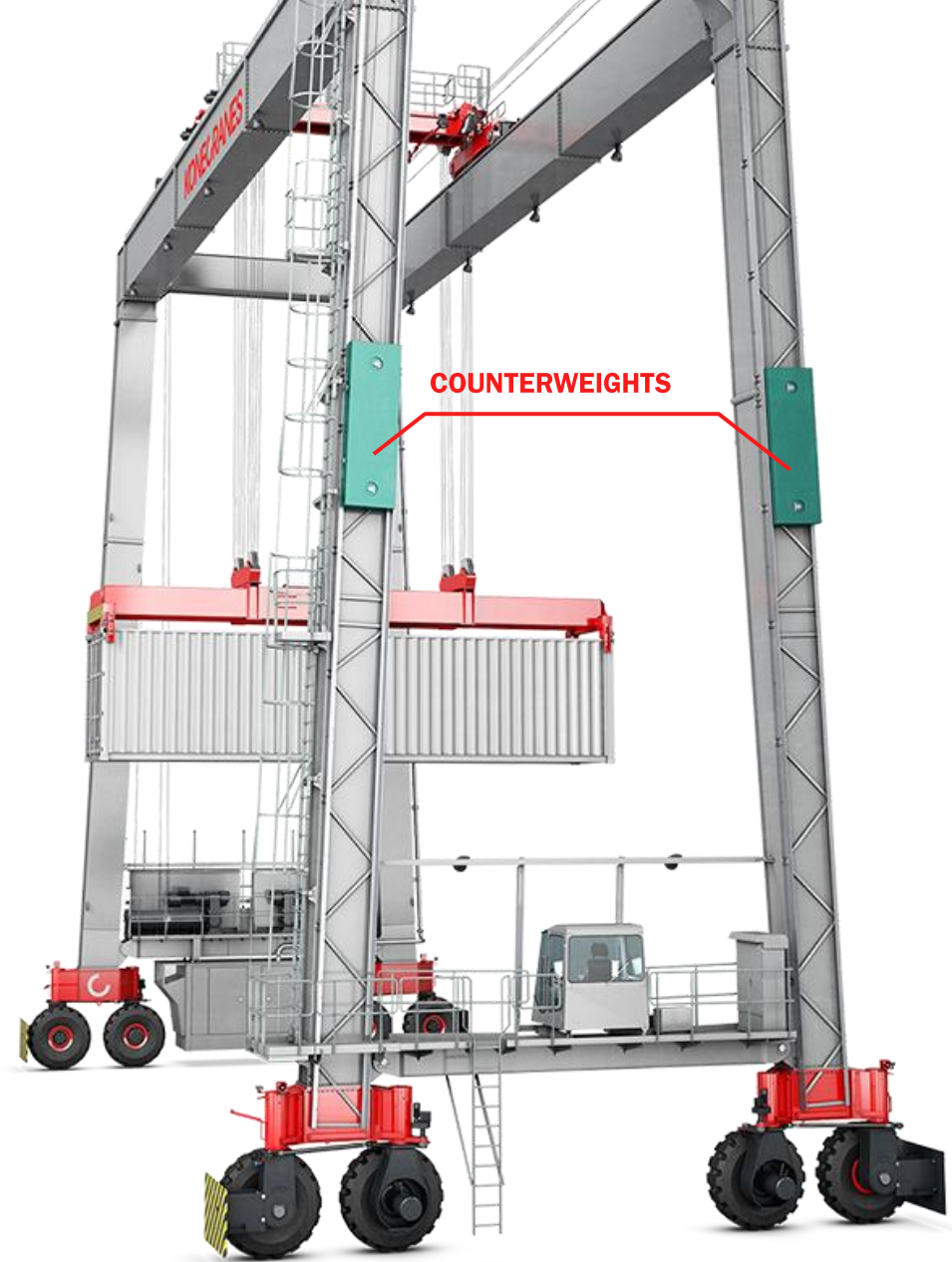
WE BROUGHT DOWN THE MACHINERY

- Easy service access
- Lighter trolley



WE BROUGHT UP THE ECO-EFFICIENCY

- Another first in RTGs: counterweights
- On average 25% lighter load with every lift



REGULAR CONTAINER SHIPMENT



RYAN FLYNN APPOINTED EXECUTIVE VICE PRESIDENT, HEAD OF BUSINESS AREA EQUIPMENT

- Ryan Flynn will return to Konecranes Plc and will start on June 1, 2014
- VP, Strategy & Business Development at BlueScope Steel in Shanghai
- Head of Region APAC at Konecranes in 2009-2013, joined Konecranes in Shanghai in 2005
- Born 1971 and holds BCom and MBA degrees

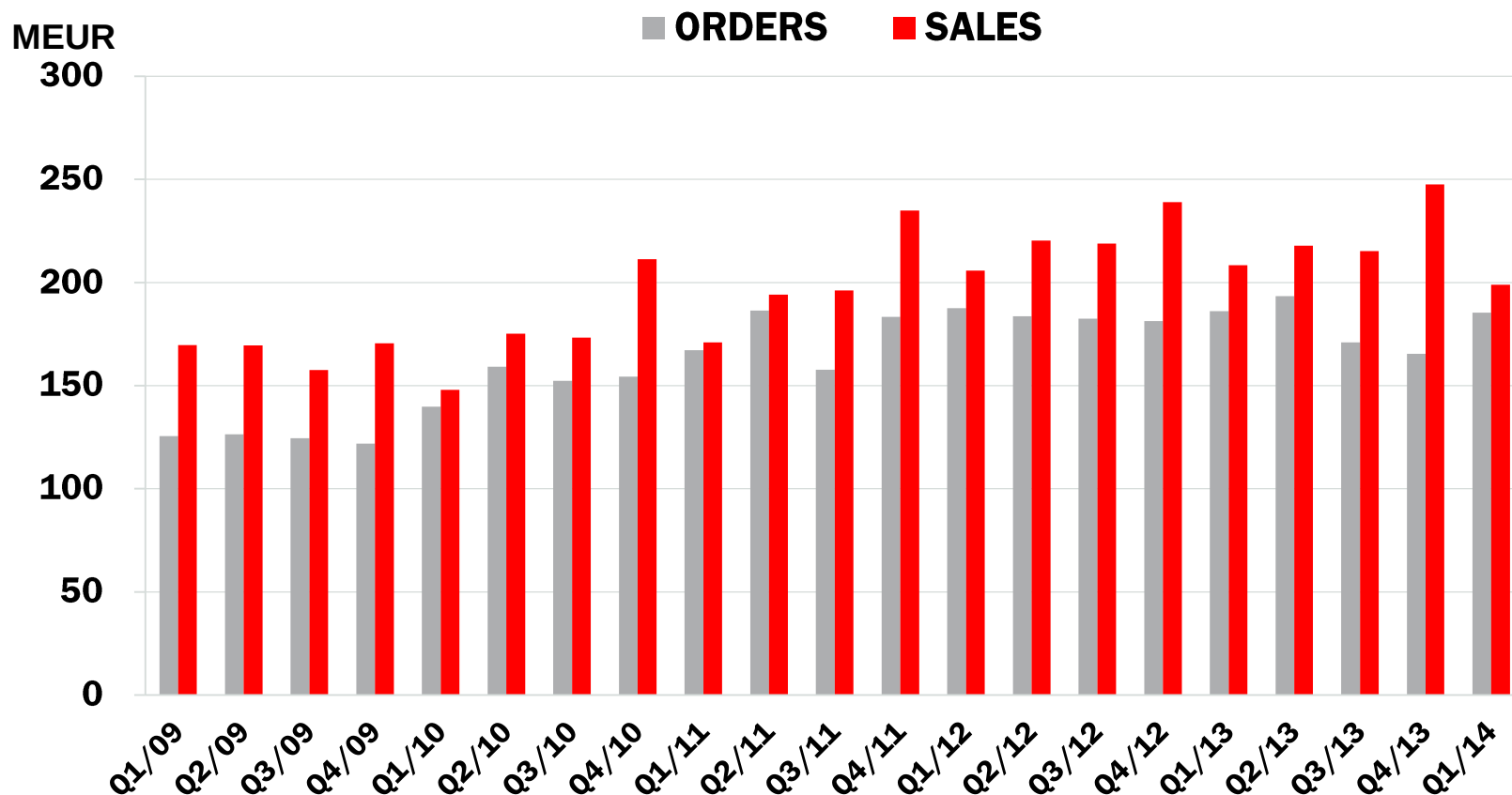


SERVICE



SERVICE ORDERS AND NET SALES

Q1 Orders: 185.4 (186.1) MEUR -0.4%* | Sales: 199.0 (208.4) MEUR -4.5%**

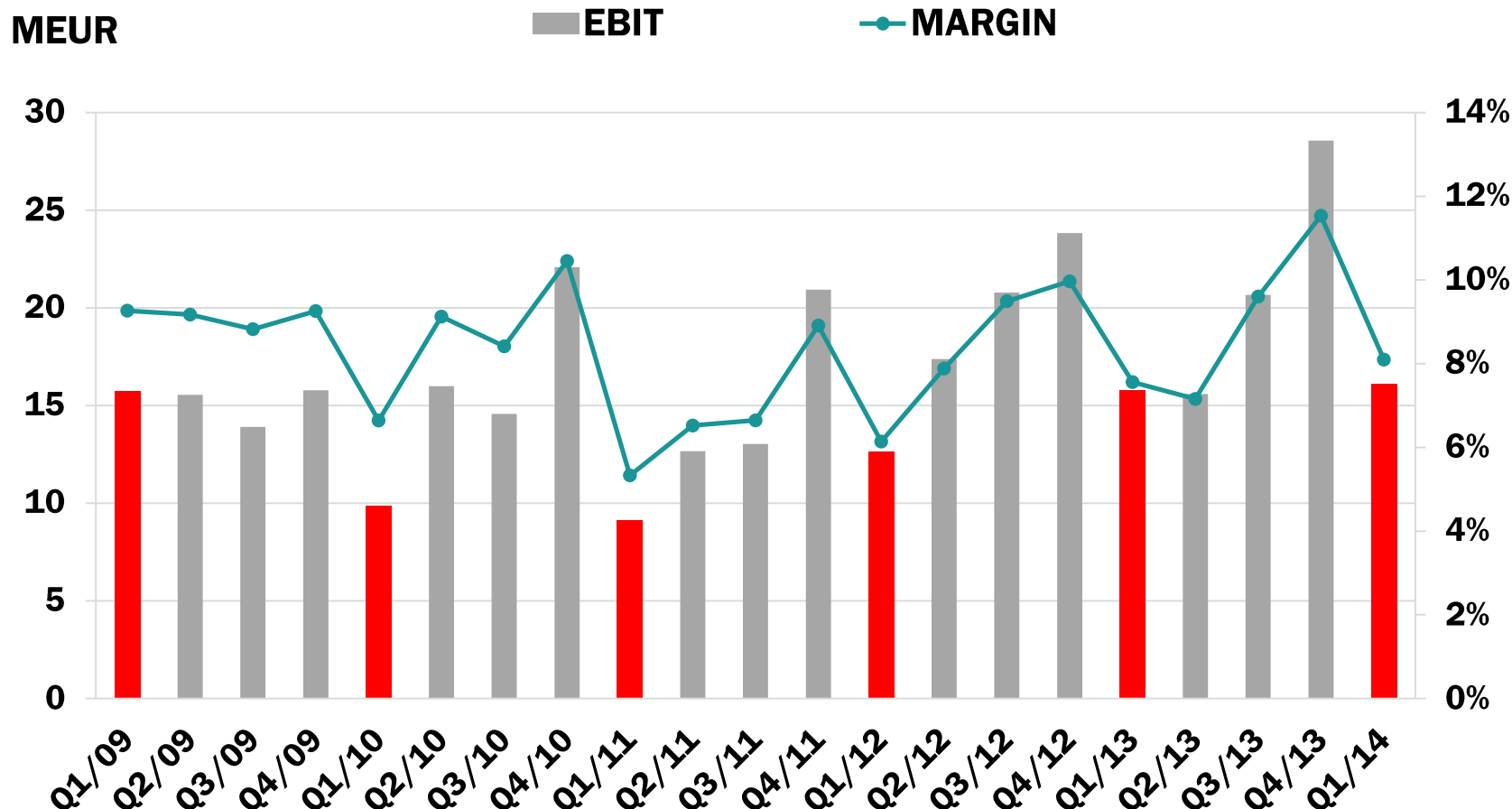


- New orders grew in EMEA but declined in the Americas and Asia-Pacific
- Parts outperformed Crane Service in terms of order intake

*+4.1% at comparable currencies, **-0.3% at comparable currencies

SERVICE EBIT & MARGIN

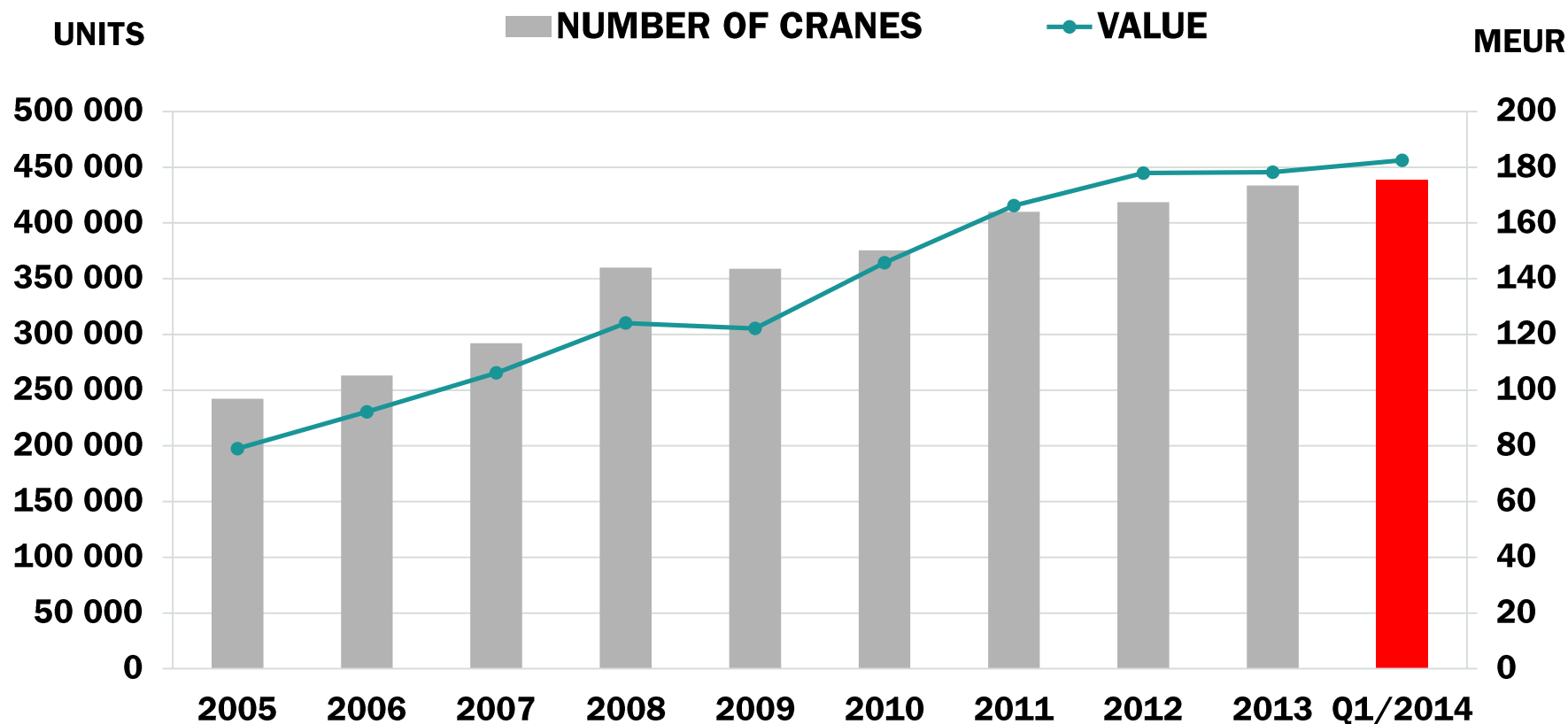
Q1 EBIT: 16.1 (15.8) MEUR, +2.3% | MARGIN: 8.1% (7.6%), excluding restructuring costs



- EBIT margin improved due to higher gross margin and the restructuring actions executed in 2013

SERVICE CONTRACT BASE

Q1 CB: 439 (430) thousand units, +2.2% | Annual value 183 (187) MEUR, -2.3% Y/Y

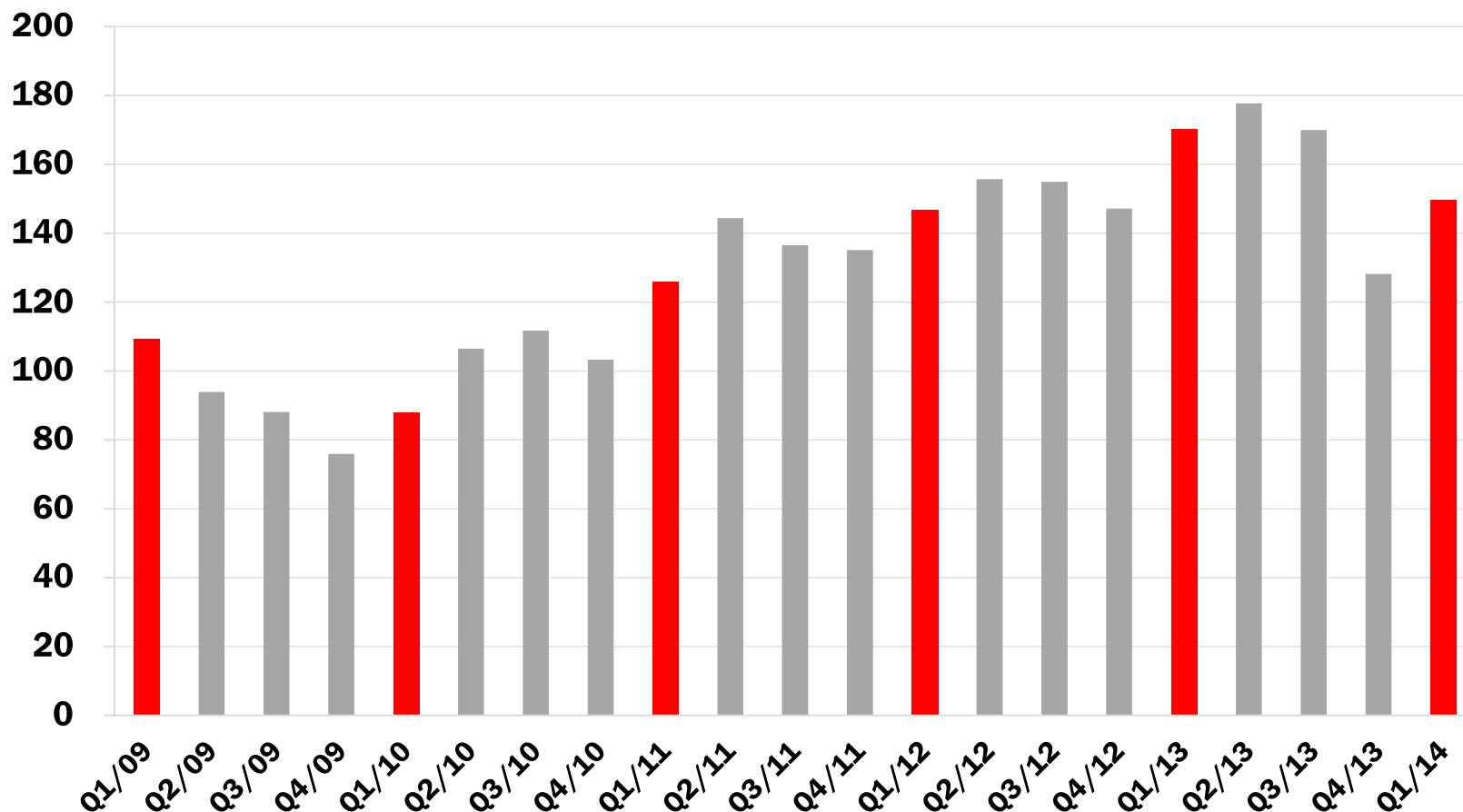


- Contract base value increased by 4.0% Y/Y at comparable currencies

SERVICE ORDER BOOK

Q1 Order book: 149.6 (170.0) MEUR, -12.0%*

MEUR



*-4.8% at comparable currencies

A large yellow container is being lifted by a crane on a ship's deck. In the foreground, several workers wearing hard hats and high-visibility clothing are observing the operation. One worker's orange jacket has "KONECRANES" written on the back. The ship's hull is blue and white, with "JUMBO" visible on the side. A red banner with the word "EQUIPMENT" is overlaid on the top right of the image.

EQUIPMENT

EQUIPMENT ORDERS AND NET SALES

Q1 Orders: 279.2 (423.2) MEUR, -34.0%* | Net sales: 254.3 (315.9) MEUR, -19.5%**

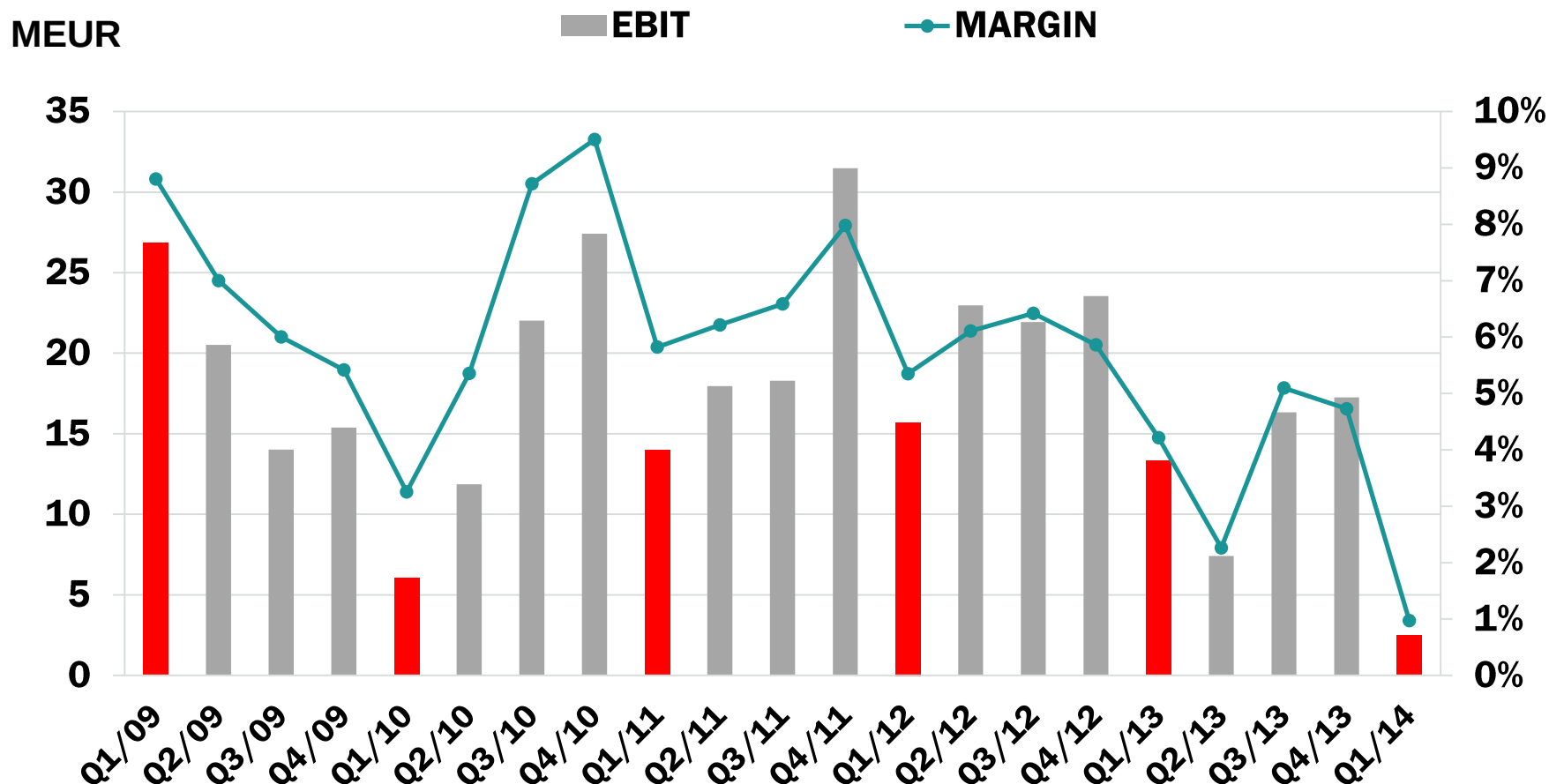


- Orders grew in EMEA but fell in the Americas and APAC
- Orders for lift trucks grew whereas orders fell elsewhere; comparison period included EUR100m+ port crane order from Indonesia

*-32.5% at comparable currencies, **-17.1% at comparable currencies

EQUIPMENT EBIT & MARGIN

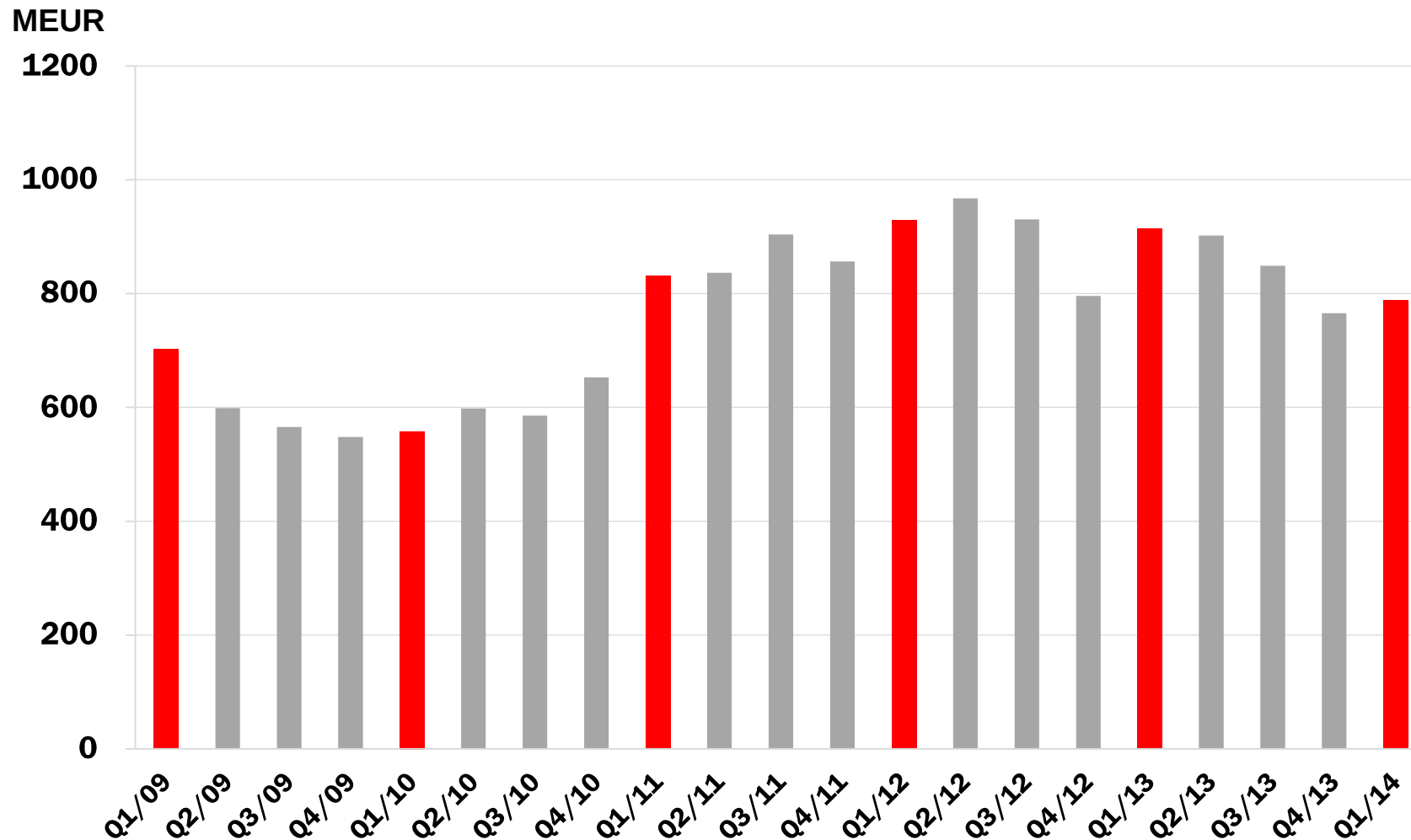
Q1 EBIT: 2.5 (13.3) MEUR, -81.4% | MARGIN: 1.0% (4.2%), excluding restructuring costs



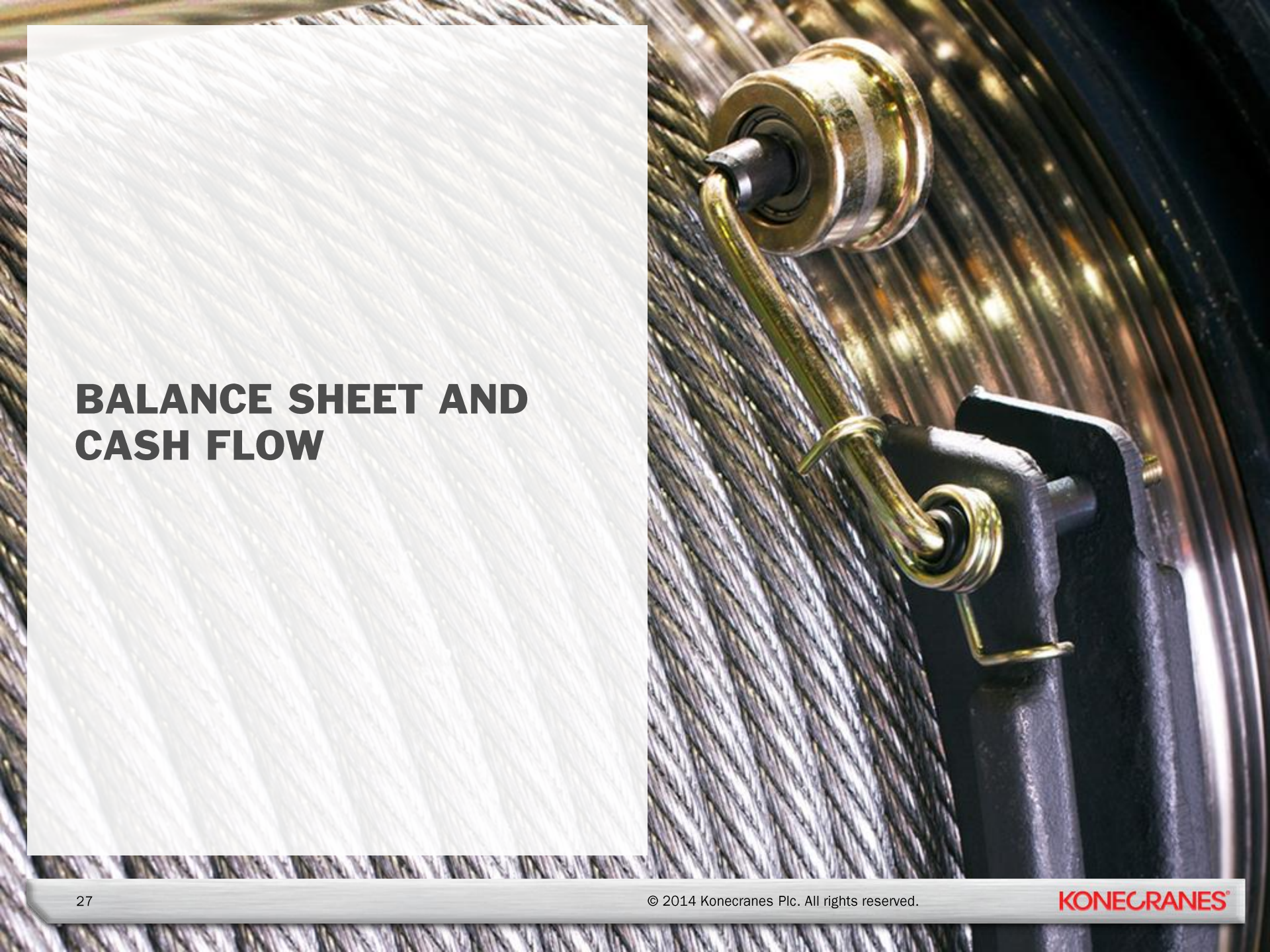
- EBIT fell due to the lower sales and unrealized currency losses of approximately EUR 2 million due to the depreciation of the Ukrainian Hryvna
- Sales mix contributed positively to the EBIT margin

EQUIPMENT ORDER BOOK

Q1 Order book: 788.3 (914.0) MEUR, -13.8%*



*-9.6% at comparable currencies

A close-up photograph of a thick, braided steel cable. A metal fitting, possibly a shackle or a part of a pulley system, is attached to the cable. The fitting has a cylindrical body with a flange and a hook-like structure. The cable is coiled, and the background is dark and out of focus.

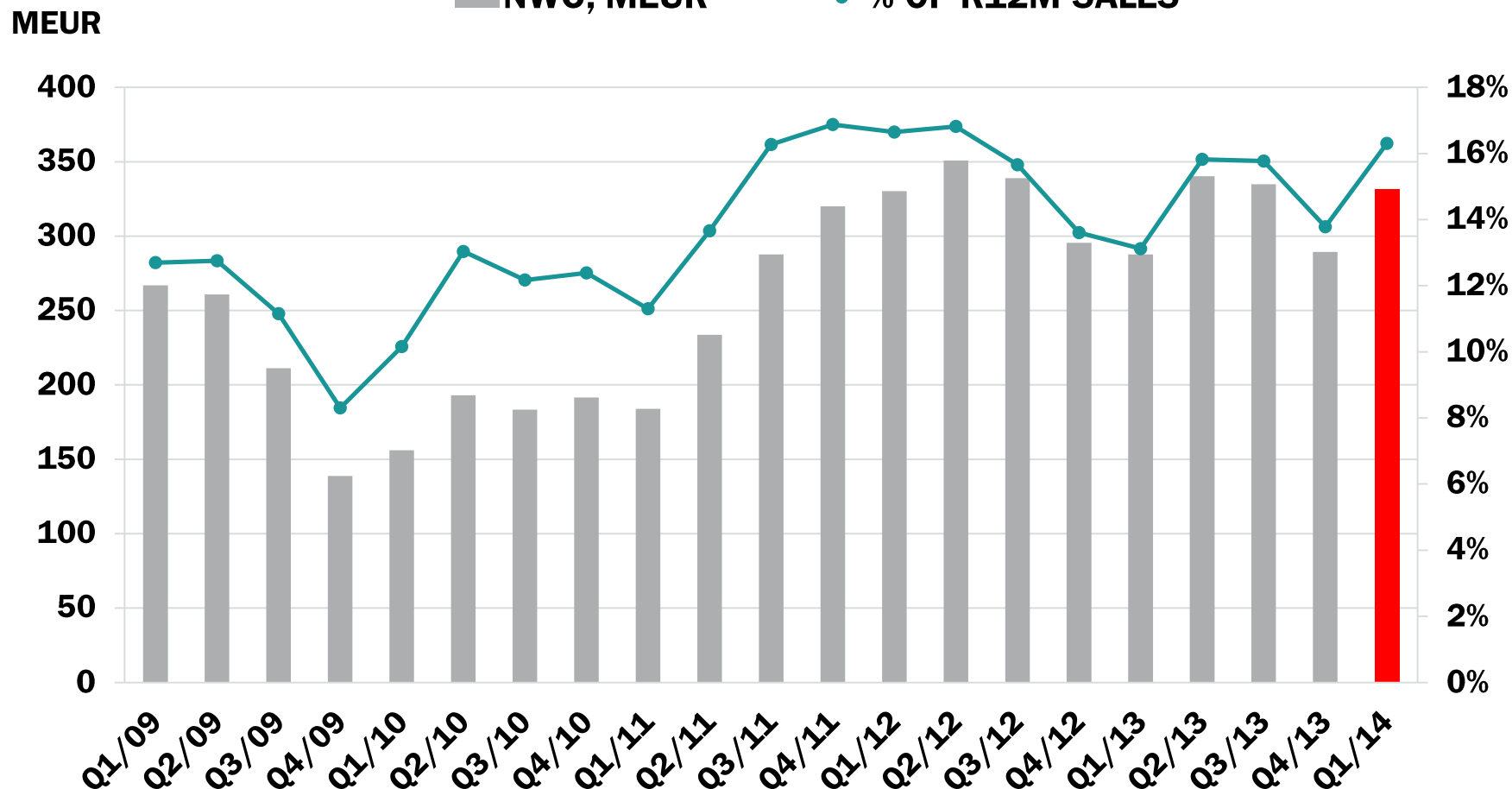
BALANCE SHEET AND CASH FLOW

NET WORKING CAPITAL

Q1 NWC: 331.2 (287.8) MEUR | 16.3% (13.1%) of R12M sales

■ NWC, MEUR

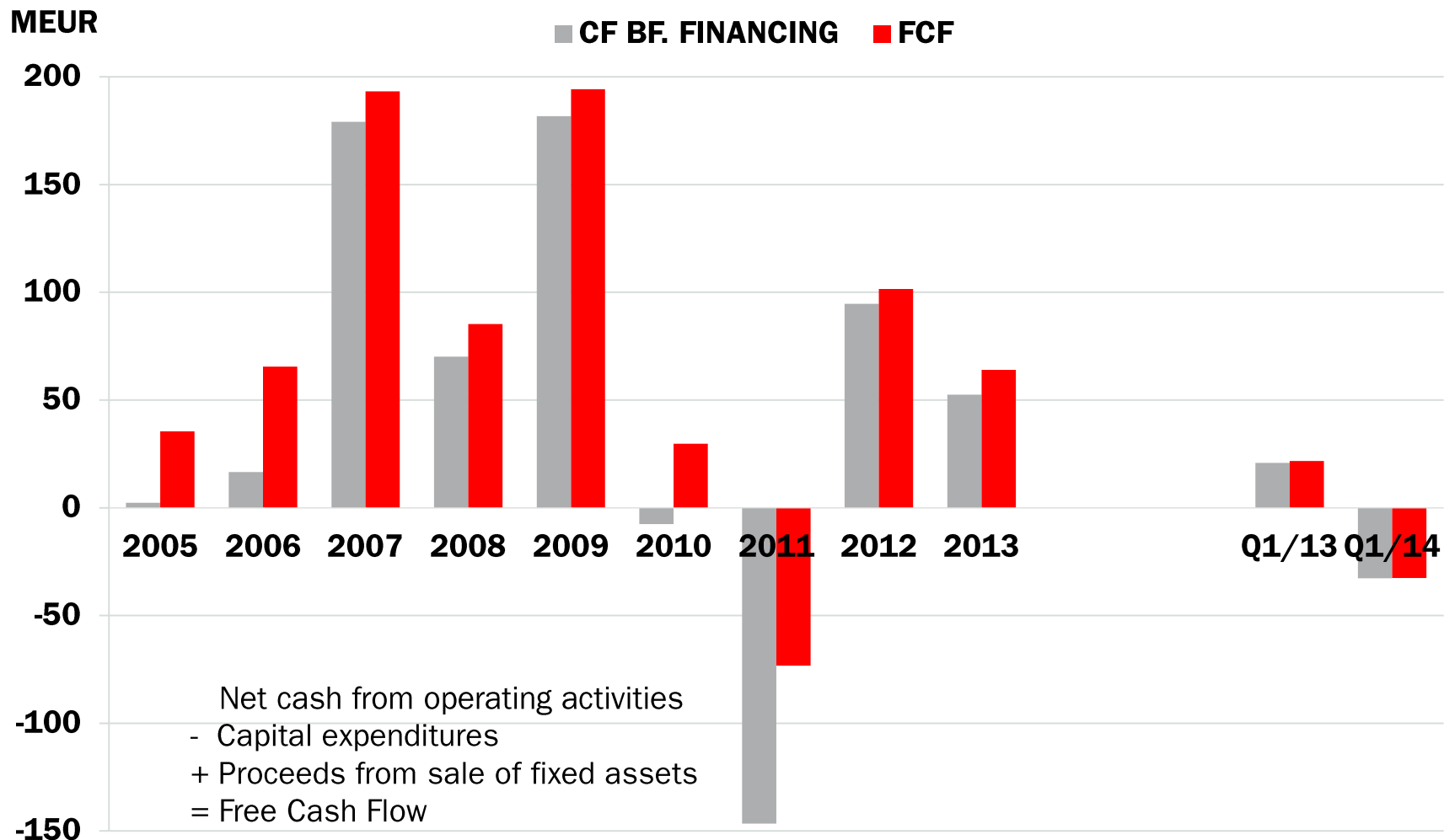
—● % OF R12M SALES



Q1/14 excl. dividend liability of EUR 61 million, 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

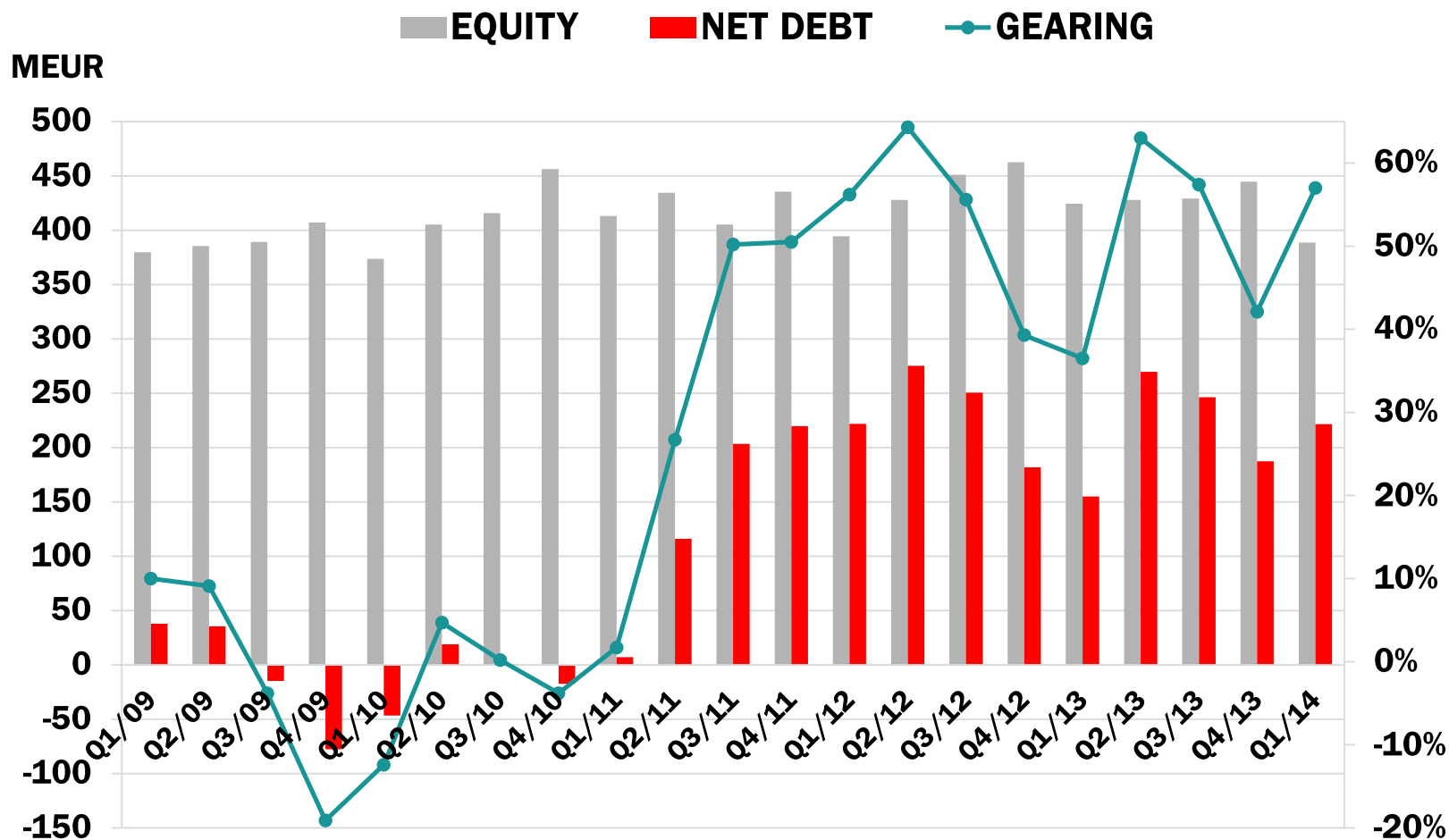
CF BEFORE FINANCING ACTIVITIES AND FCF

Q1 CF BF. FINANCING: -32.7 (20.9) MEUR | FCF: -32.6 (21.7) MEUR



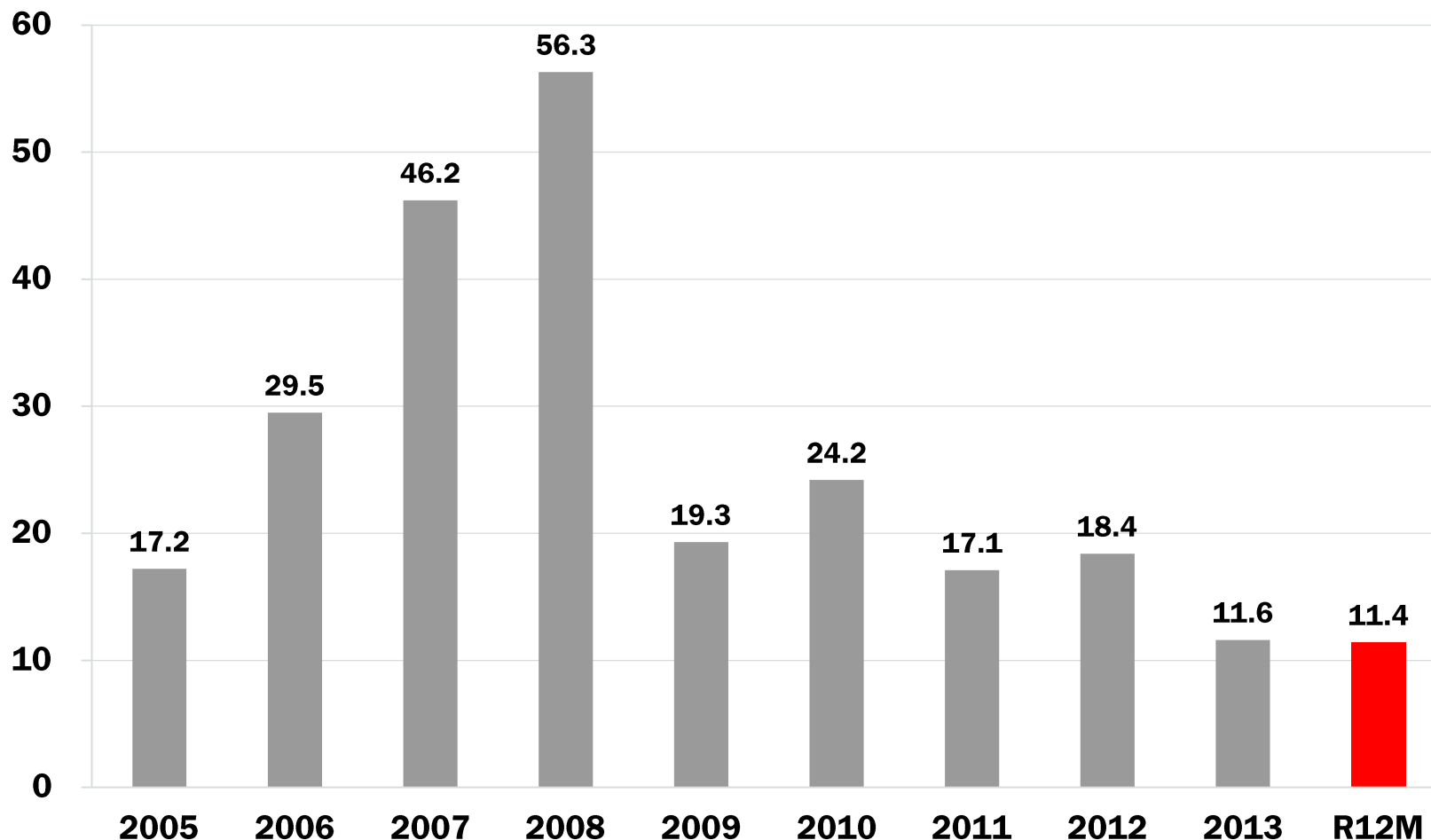
GEARING

Q1 Equity: 388.7 (424.3) MEUR | Net debt: 221.5 (155.0) MEUR | Gearing: 57.0% (36.5%)



RETURN ON CAPITAL EMPLOYED

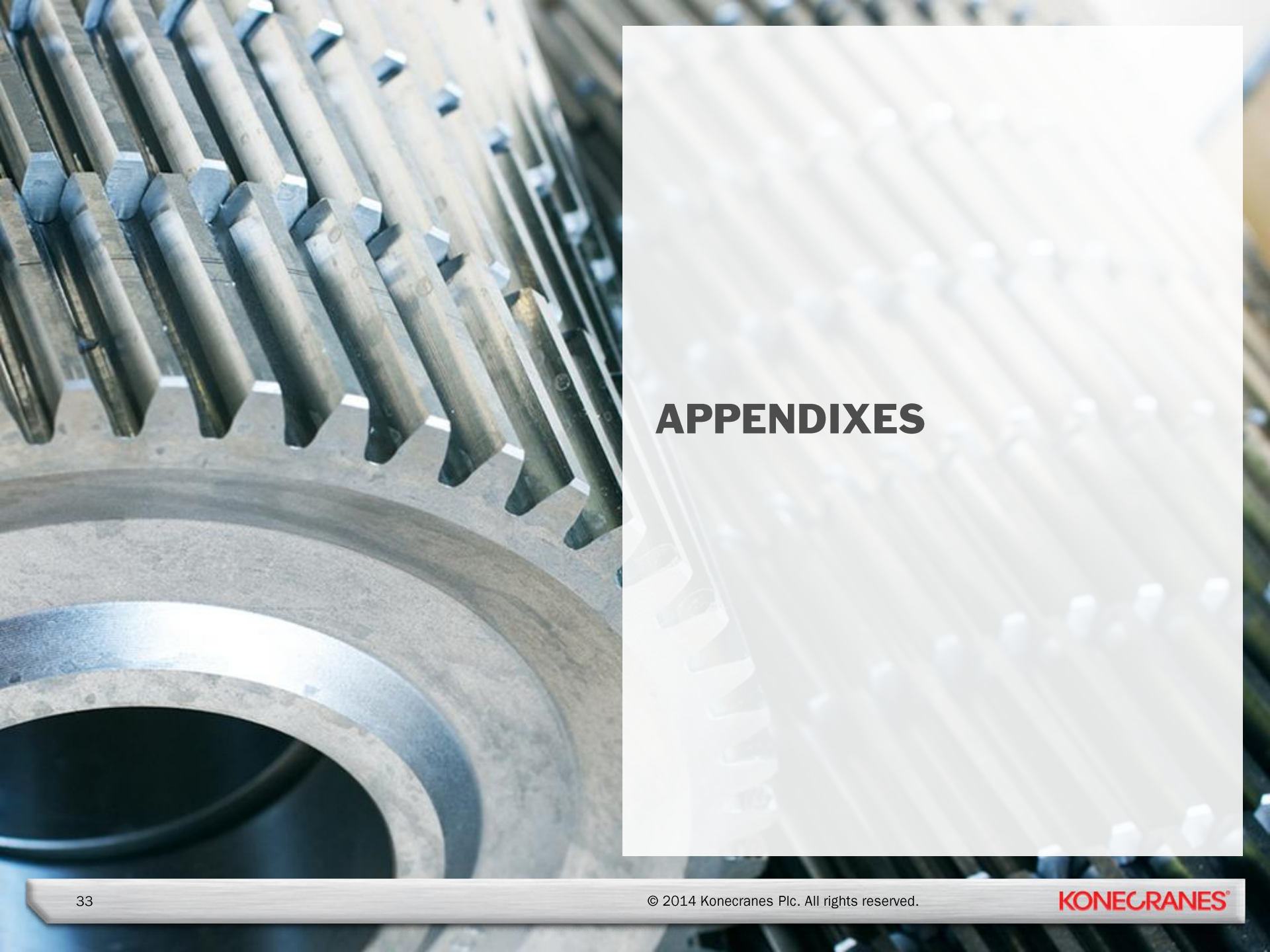
ROCE %



* ROCE excluding restructuring costs was 17.7% in 2013 and 14.9% in R12M



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



APPENDIXES

STATEMENT OF INCOME

MEUR	Q1 2014	Q1 2013	% Change
Sales	427.3	495.9	-13.8
Other operating income	0.5	0.5	
Depreciation and impairments	-9.5	-10.4	
Other operating expenses	-403.2	-467.1	
Operating profit	15.2	18.8	-19.4
Share of associates' and joint ventures' result	1.0	0.6	
Financial income and expenses	-3.5	-3.9	
Profit before taxes	12.7	15.5	-18.4
Taxes	-4.0	-4.6	
Net profit for the period	8.7	10.9	-20.3

BALANCE SHEET

MEUR	March 31, 2014	March 31, 2013	MEUR	March 31, 2014	March 31, 2013
Non-current assets	479.5	484.8	Equity	388.7	424.3
Inventories	353.8	373.5	Non-current liabilities	222.0	306.2
Other current assets	566,0	564.7	Provisions	45.7	46.8
Cash and cash equivalents	141.5	217.4	Current liabilities	884.3	863.0
Total assets	1,540.8	1,640.4	Total equity and liabilities	1,540.8	1,640.4

CASH FLOW STATEMENT

MEUR	Q1/2014	Q1/2013
Operating income before change in net working capital	25.3	30.0
Change in net working capital	-43.7	14.0
Financing items and taxes	-6.5	-11.8
Net cash from operating activities	-24.9	32.2
Cash flow from investing activities	-7.8	-11.3
Cash flow before financing activities	-32.7	20.9
Proceeds from options exercised and share issues	0.5	5.1
Change in interest-bearing debt	43.7	43.5
Dividends paid to equity holders of the parent	0.0	0.0
Net cash used in financing activities	44.2	48.6
Translation differences in cash	-2.3	2.5
Change of cash and cash equivalents	9.2	72.0
Cash and cash equivalents at beginning of period	132.2	145.3
Cash and cash equivalents at end of period	141.5	217.4
Change of cash and cash equivalents	9.2	72.0

KEY FIGURES

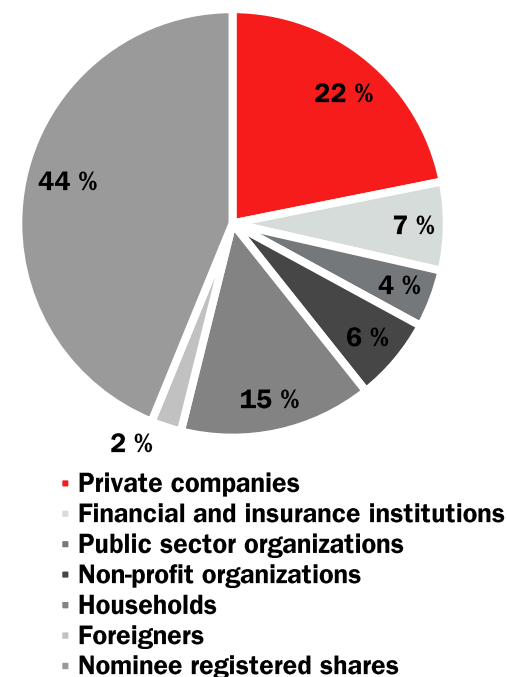
MEUR	Q1 2014	Q1 2013	% Change
Earnings per share, basic, EUR	0.15	0.19	-20.9
Earnings per share, diluted, EUR	0.15	0.19	-20.8
Return on capital employed %, R12M	11.4	17.8	-36.0
Return on equity %, R12M	11.6	19.9	-41.7
Equity per share, EUR	6.61	7.24	-8.7
Current ratio	1.1	1.3	
Gearing (%)	57.0	36.5	
Solidity (%)	29.6	30.0	
EBITDA, MEUR	24.7	29.2	-15.4
Investments total (excl. acquisitions), MEUR	9.2	15.8	-41.9
Interest-bearing net debt, MEUR	221.5	155.0	43.0
Net working capital, MEUR	270.4	227.2	19.0
Personnel at end of period	11,911	12,081	-1.4
Personnel on average during the period	11,872	12,114	-2.0
Average number of shares outstanding, basic	57,849,496	57,360,808	0.9
Average number of shares outstanding, diluted	58,054,089	57,643,376	0.7
Number of shares outstanding	57,874,421	57,727,324	0.3

THE LARGEST SHAREHOLDERS

Largest shareholders on March 31, 2014	Number of shares	% of all shares
1 HTT KCR Holding Oy Ab	6,870,568	10.86
2 Nordea Investment Funds	2,329,580	3.68
3 Gustavson Stig, Chairman of the Board of Konecranes and family *)	2,073,927	3.28
4 Varma Mutual Pension Insurance Company	1,190,275	1.88
5 Nordea Nordenfonden	717,548	1.13
6 The State Pension Fund	663,720	1.05
7 Sigrid Jusélius Foundation	638,500	1.01
8 Fondita Funds	612,700	0.97
9 Folkhälsan Samfundet i Svenska Finland	535,600	0.85
10 The Local Government Pensions Institution	533,542	0.84
Konecranes Plc's treasury shares	5,397,921	8.53
Nominee registered shares	27,749,820	43.86
Other shareholders	13,958,640	22.06
Total number of shares	63,272,342	100.00

*) 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 the shares he at time owned 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 encompassed in total 2,069,778 shares.

Market cap EUR 1,339 million excluding treasury shares



Trading information

- Listing: NASDAX OMX Helsinki
- Date of listing: March 27, 1996
- Segment: Large Cap
- Sector: Industrials
- Trading code: KCR1V
- 1-3/14 average daily trading volume 210,389 shares, EUR 5.3 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