



Q3 2013 INTERIM REPORT

October 23, 2013

Pekka Lundmark, President and CEO

Teo Ottola, CFO

HIGHLIGHTS OF Q3/13

- **Positives**

- Service EBIT margin a tad up Y/Y despite the lack of volume growth
- Equipment EBIT recovered after disappointing Q2
- Cost reductions progressing as planned

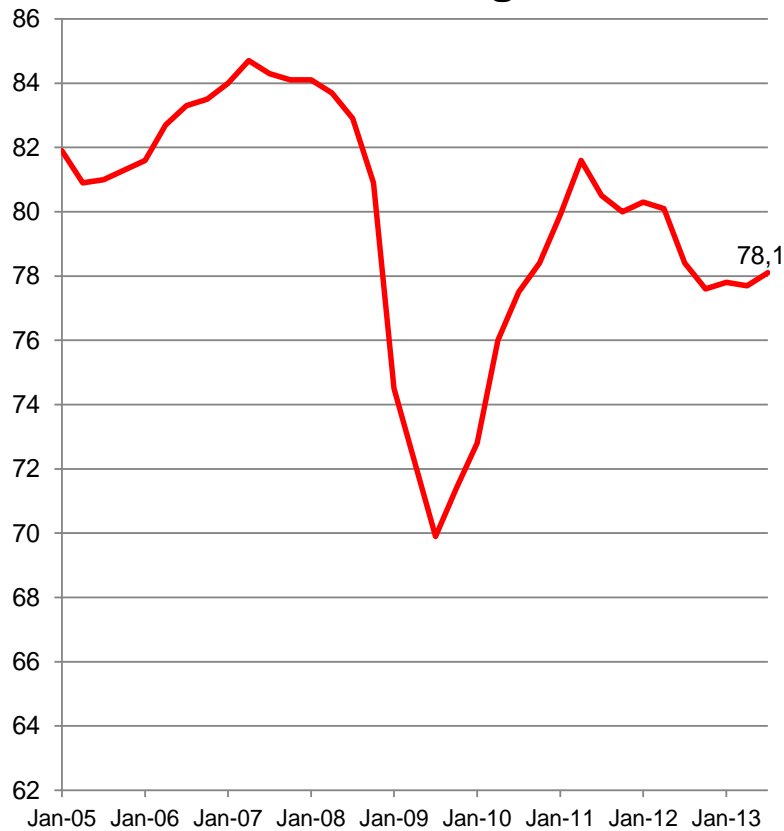
- **Negatives**

- Soft order intake both in Service and Equipment
- Currency headwinds increasing
- Full-year financial guidance lowered October 14

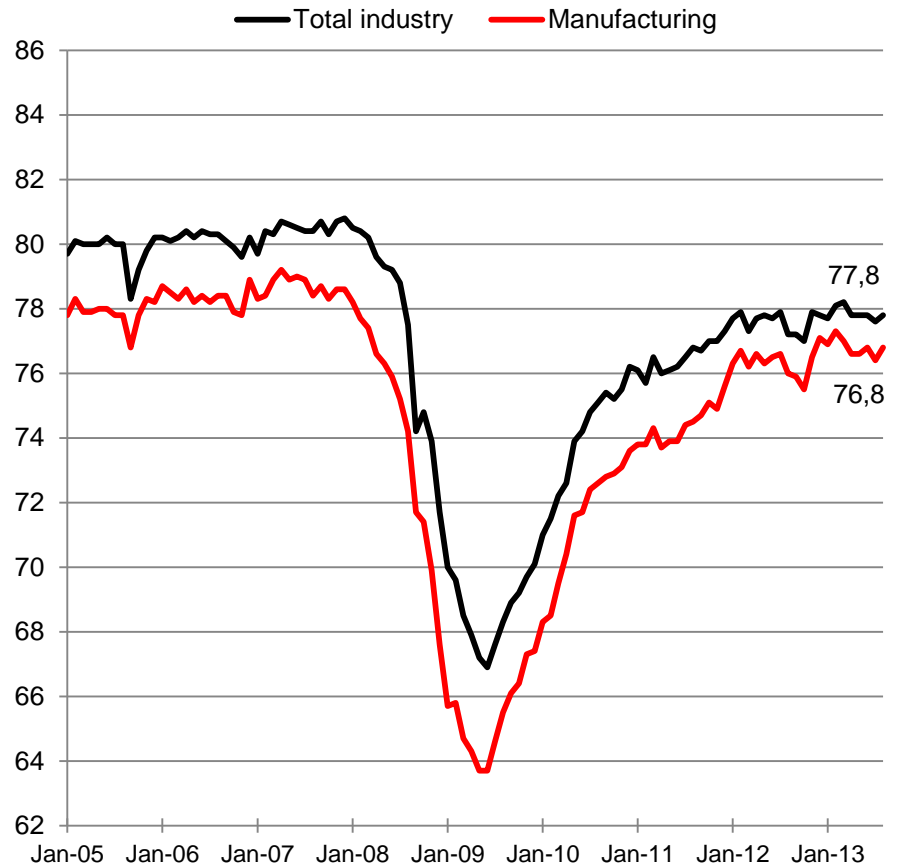
Q3 ORDERS RECEIVED Y/Y	EMEA	AME	APAC
SERVICE			
EQUIPMENT			

CAPACITY UTILIZATION: EU27 AND USA

Capacity utilisation of manufacturing in EU



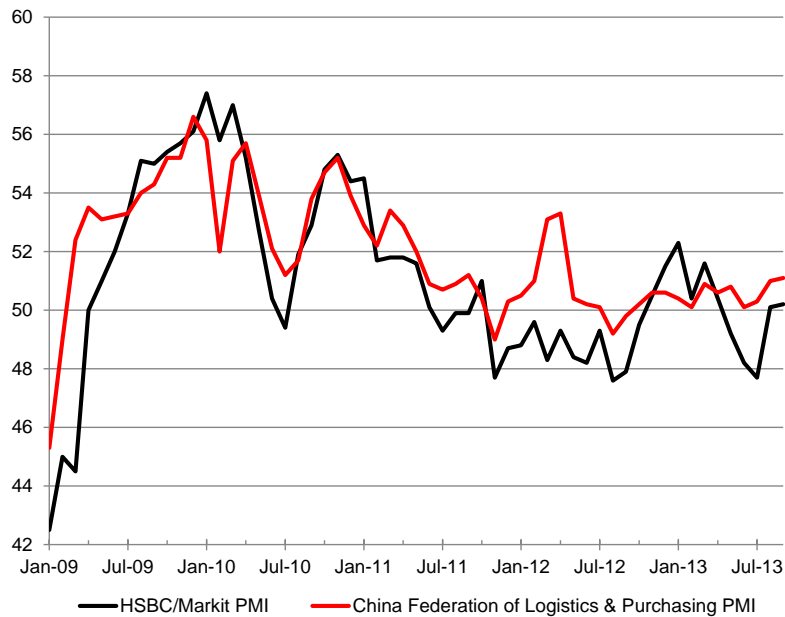
Capacity utilisation in the USA



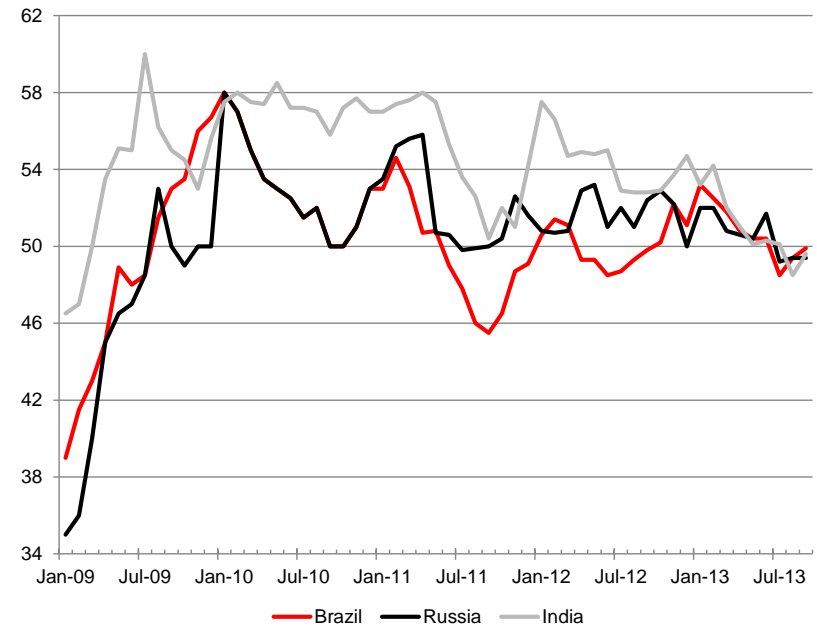
SOURCES: Eurostat (latest data point Q3/13), Federal Reserve Bank of St. Louis (August 2013)

PMI'S IN THE BRIC COUNTRIES

Chinese manufacturing PMI



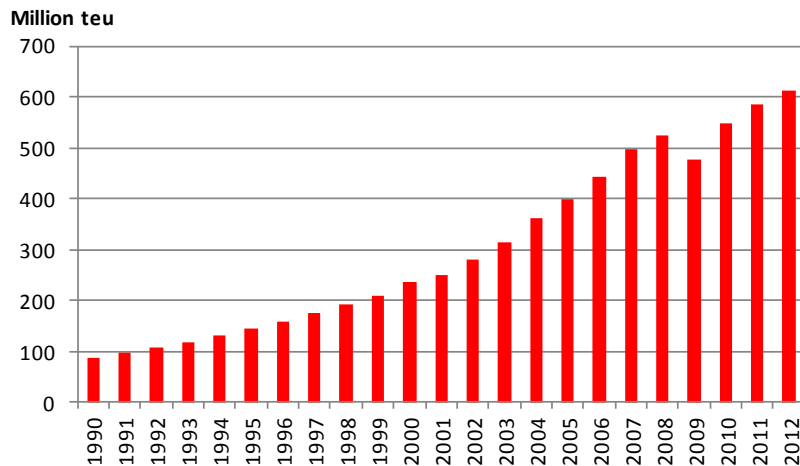
Brazil, Russia, India - PMI



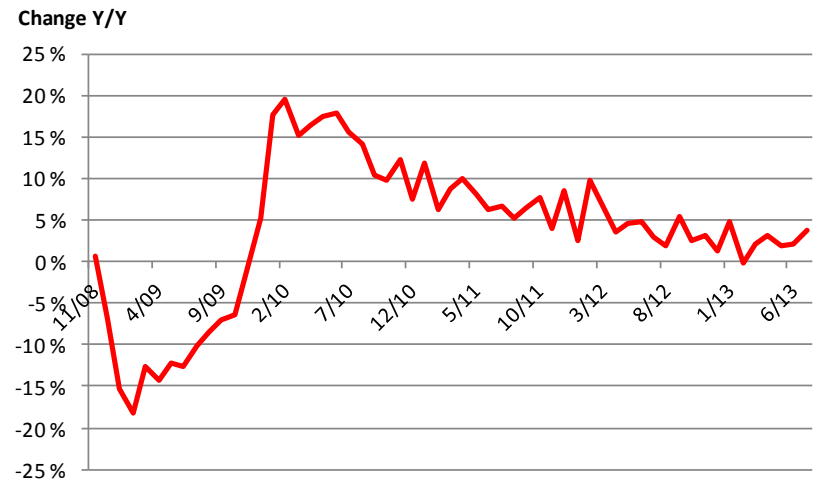
SOURCES: HSBC/Markit, (latest data point September 2013)

CONTAINER TRAFFIC

Annual container handling volume



Monthly container handling volume



SOURCES: Drewry Container Port Insight (latest data point July 2013)

MARKET OUTLOOK AND FINANCIAL GUIDANCE AS OF OCTOBER 23, 2013

Market outlook

- Leading macroeconomic indicators in Europe and China improved slightly in the third quarter of 2013. However, the growth in industrial production and container traffic is moderate and below the historical averages. The near-term investment outlook within manufacturing and process industries as well as container handling remains uncertain.

Financial guidance

- Based on the order book and the near-term demand outlook, the year 2013 sales are expected to be slightly lower than in 2012.
- We expect the fourth quarter 2013 operating profit, excluding restructuring costs, to improve from the previous year.
- However, we expect the full-year 2013 operating profit excluding restructuring costs to be lower than in 2012.

UPDATE ON THE RESTRUCTURING PROGRAM ANNOUNCED IN JULY

	Target/total	End-Q3 situation
Savings	EUR30m by the end of 2014	~EUR5m annually
Restructuring costs	Cash-based EUR20m	EUR4.4m
	Non cash-based EUR20m	EUR19.2m
	Total EUR40m	EUR23.6m
		of which
		EUR10.8m in Service
		EUR11.2m in Equipment
		EUR1.6m in Group overheads

KEY STRATEGIC INITIATIVES

1

**INDUSTRIAL
INTERNET**

2

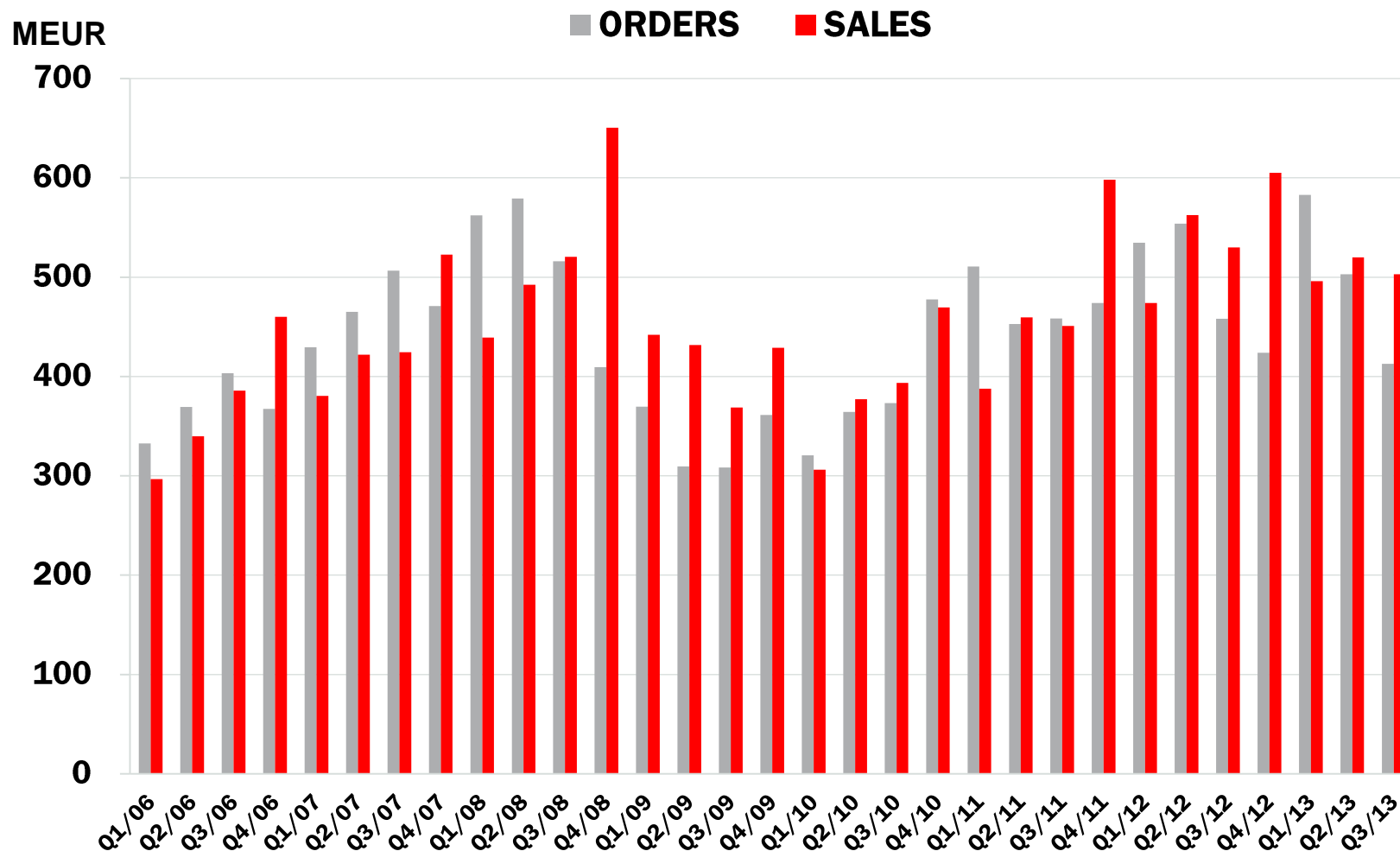
**EMERGING MARKETS
OFFERING**

3

oneKONECRANES

GROUP ORDERS AND NET SALES

Q3 Orders: 412.9 (458.0) MEUR, -9.9%* | Net sales: 502.9 (529.8) MEUR, -5.1%**

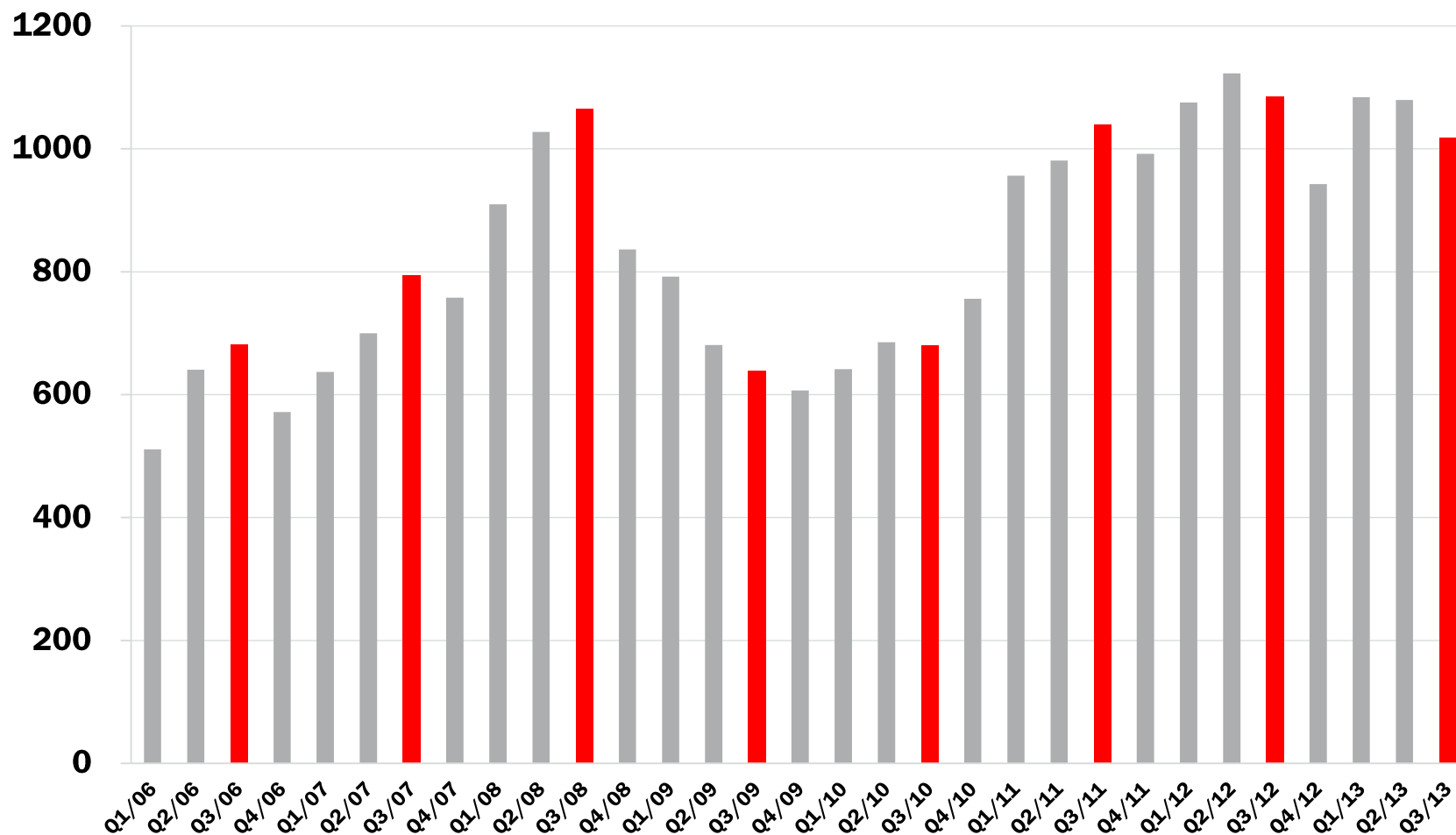


*-5.5% at comparable currencies, **-0.9% at comparable currencies

GROUP ORDER BOOK

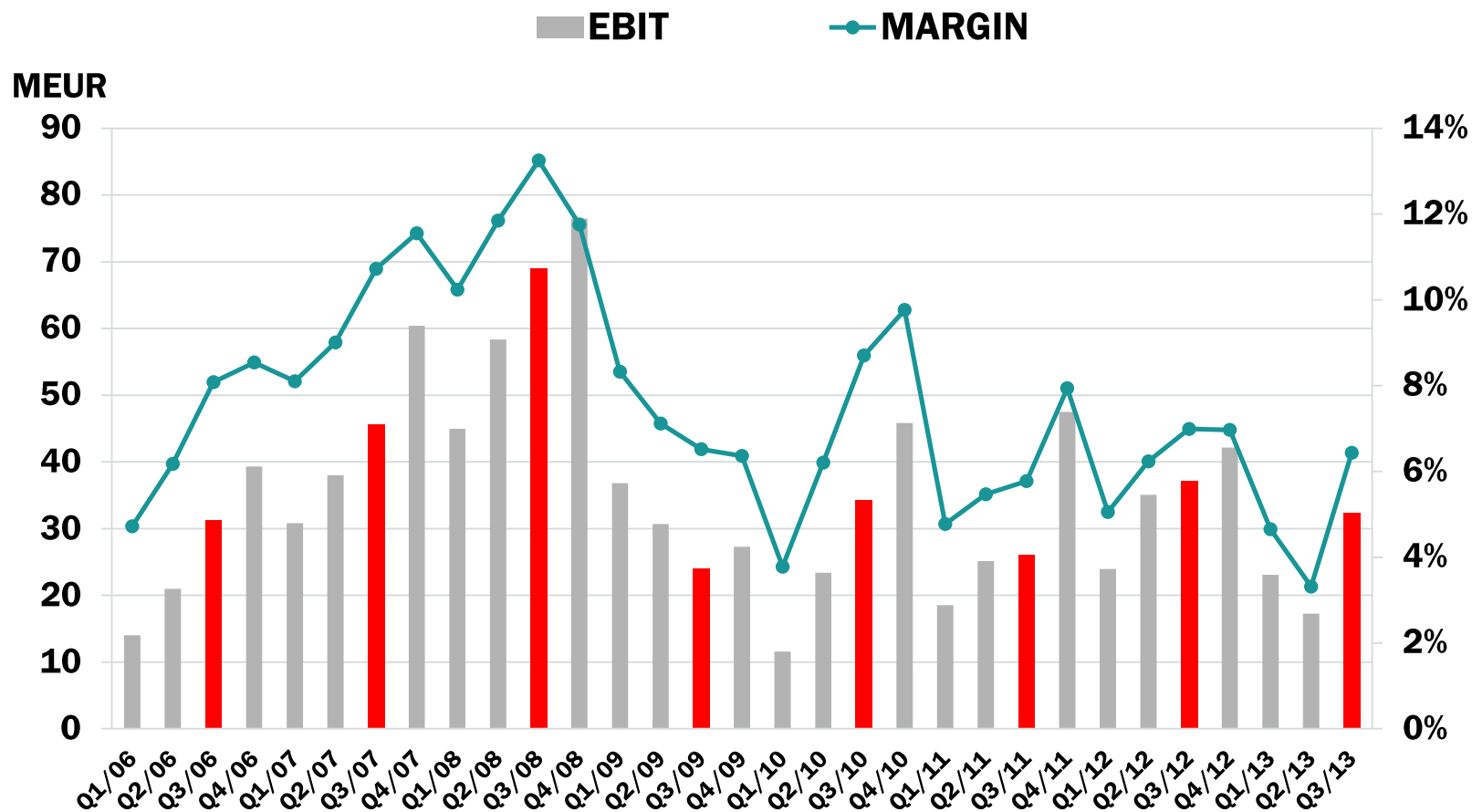
Q3 Order book: 1,018.9 (1,085.1) MEUR, -6.1%

MEUR



GROUP EBIT & MARGIN

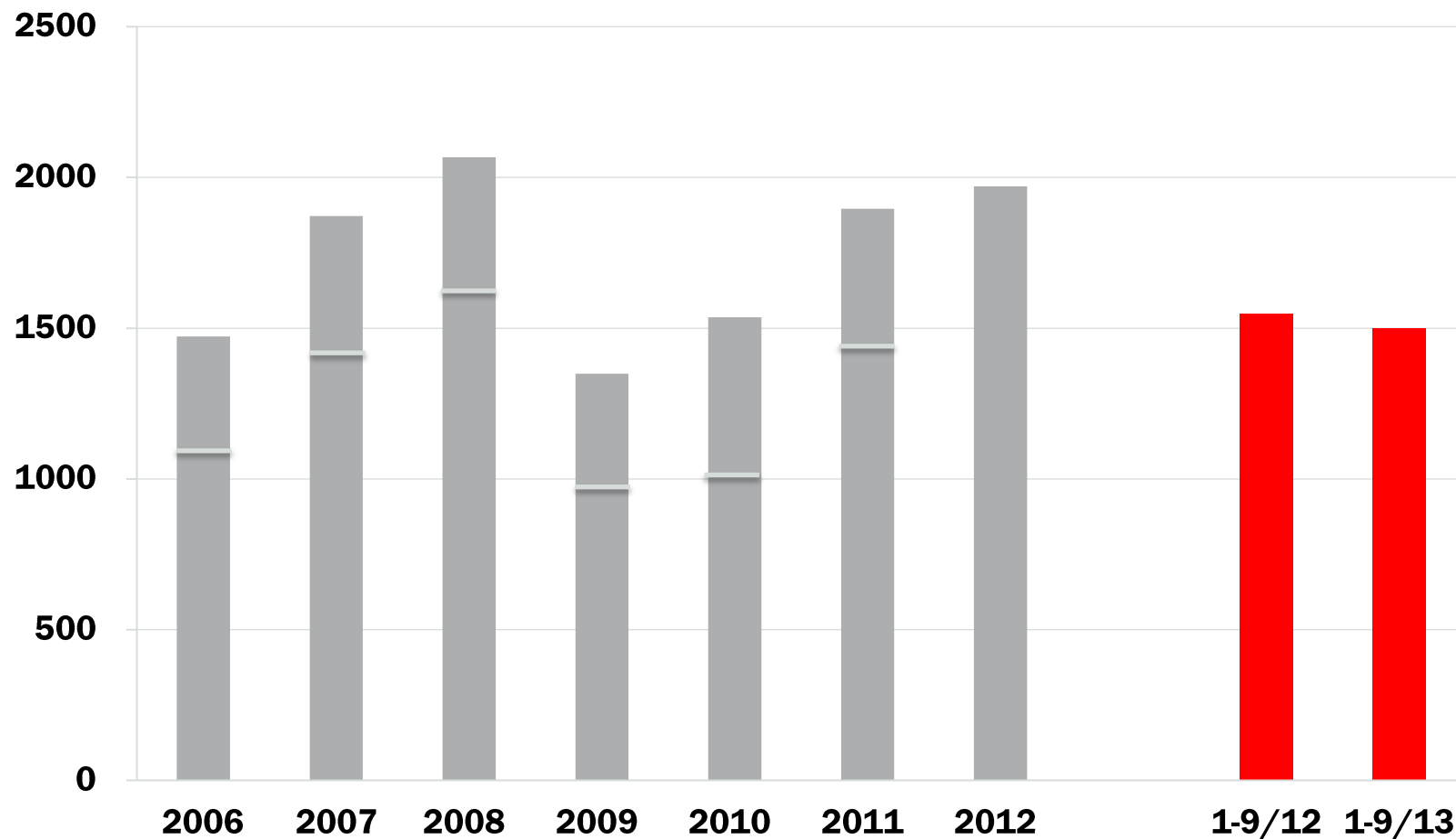
Q3 EBIT: 32.4 (37.0) MEUR, -12.6% | MARGIN: 6.4% (7.0%), excluding restructuring costs



GROUP ORDERS RECEIVED

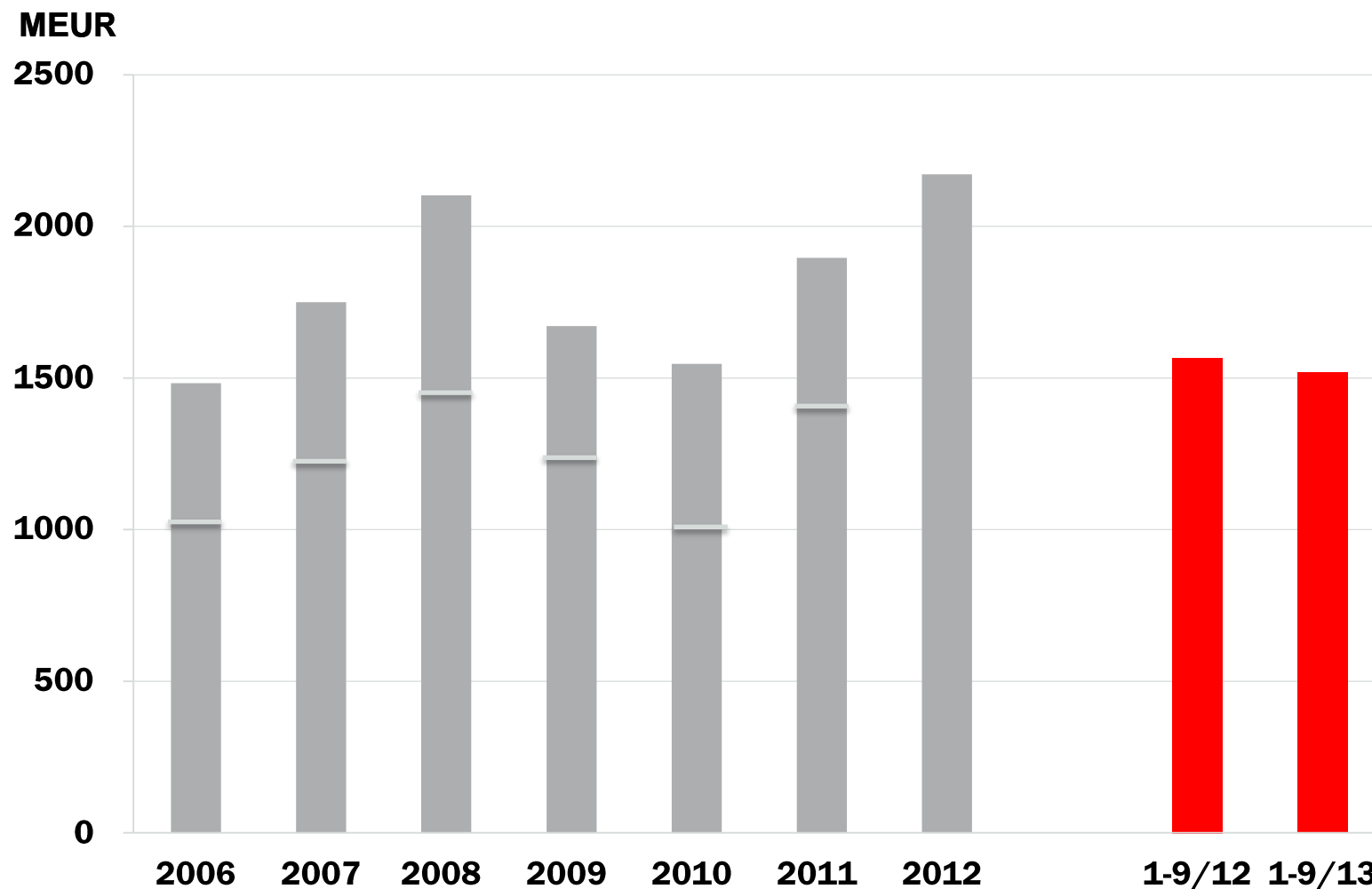
9M Orders: **1,498.6 (1,546.3) MEUR, -3.1%**

MEUR



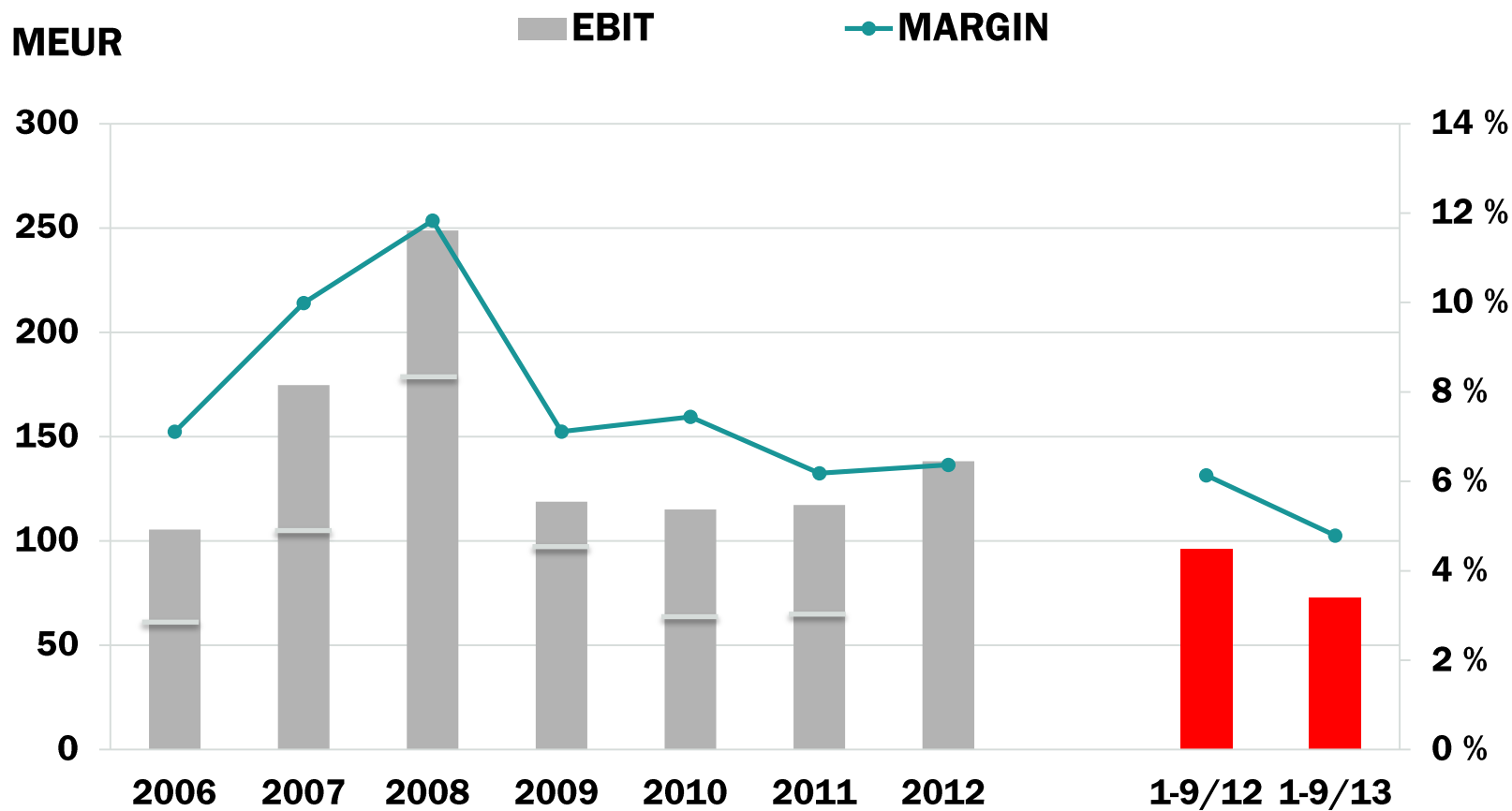
GROUP NET SALES

9M Net sales: **1,518.7 (1,566.4) MEUR, -3.0%**

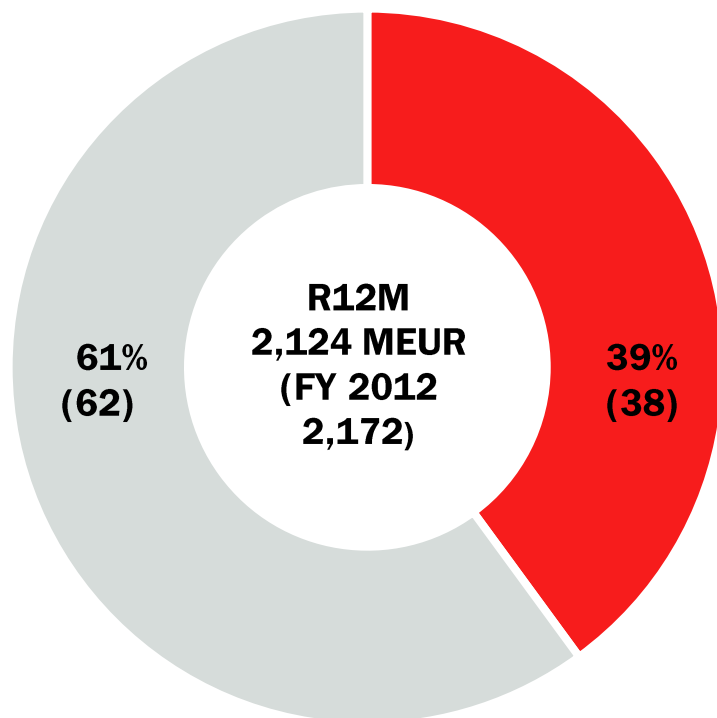


GROUP EBIT & MARGIN

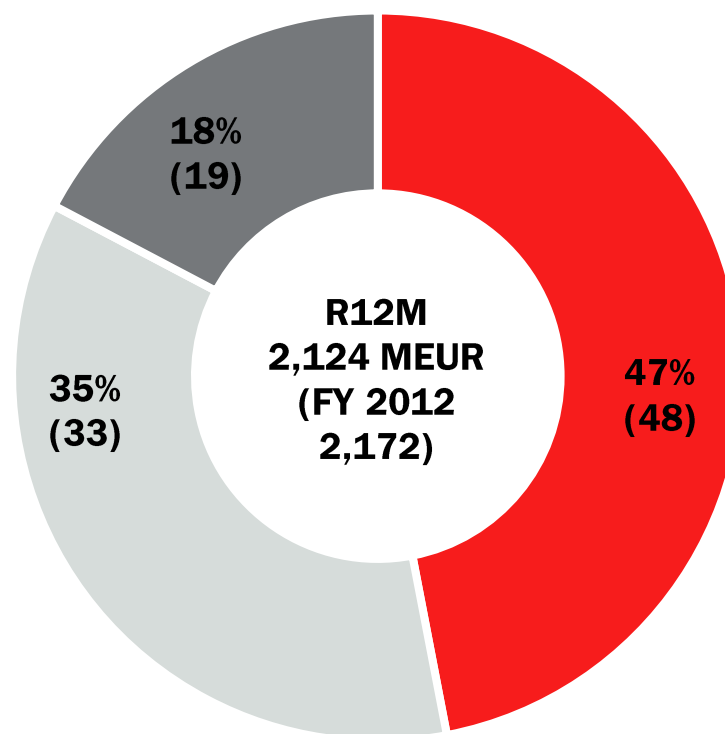
9M EBIT: 72.7 (96.1) MEUR, -24.4% | MARGIN: 4.8% (6.1%), excluding restructuring costs



SALES SPLIT BY BUSINESS AREA & REGION (R12M)



■ SERVICE ■ EQUIPMENT



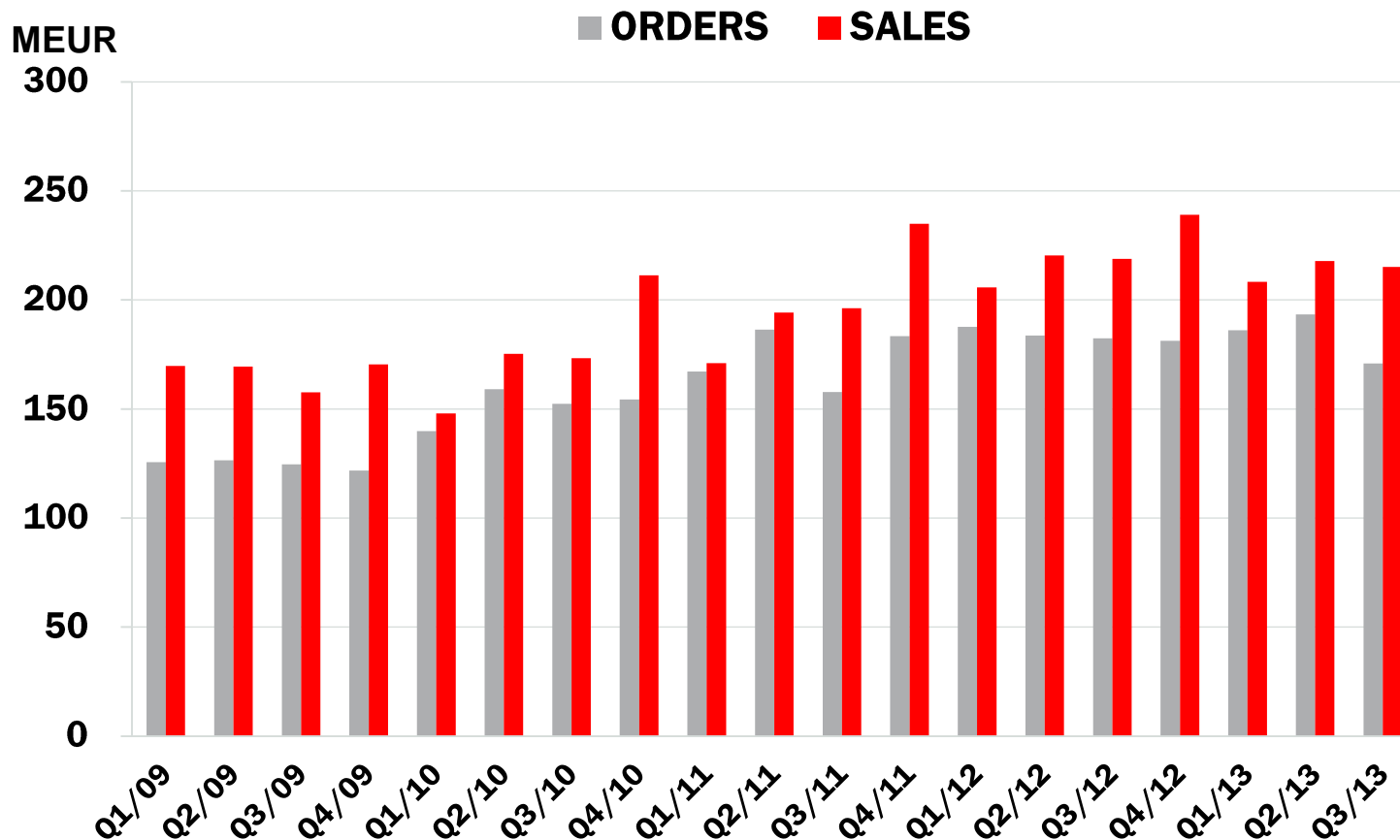
■ EMEA ■ AME ■ APAC



SERVICE

SERVICE ORDERS AND NET SALES

Q3 Orders: 170.9 (182.4) MEUR -6.3%* | Sales: 215.2 (218.9) MEUR -1.7%**

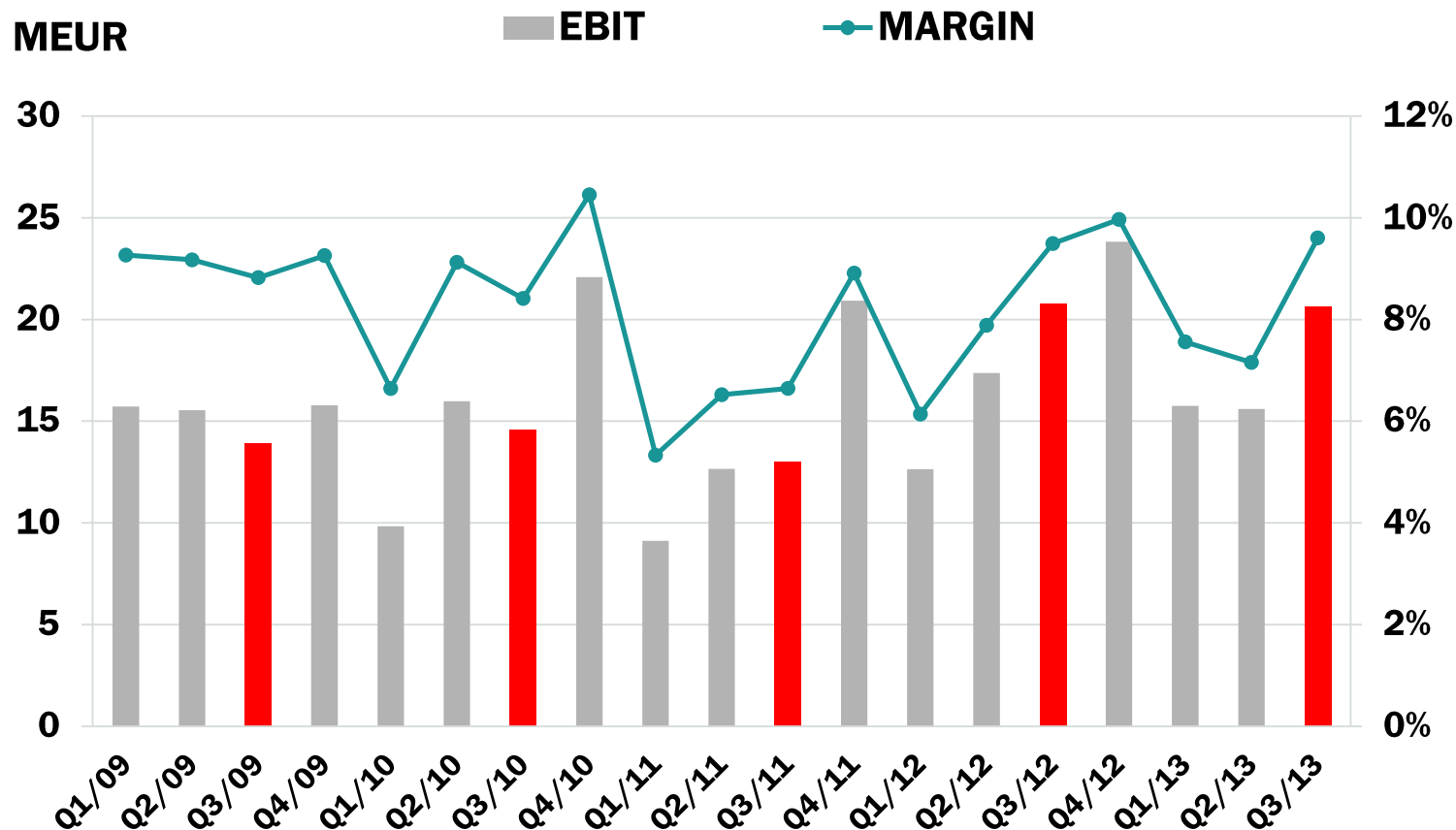


- New orders grew in EMEA whereas they declined in AME and APAC
- Order intake in Crane Service and Parts business units decreased from the previous year, but they grew at constant currencies

*-1.0% at comparable currencies, **+3.7% at comparable currencies

SERVICE EBIT & MARGIN

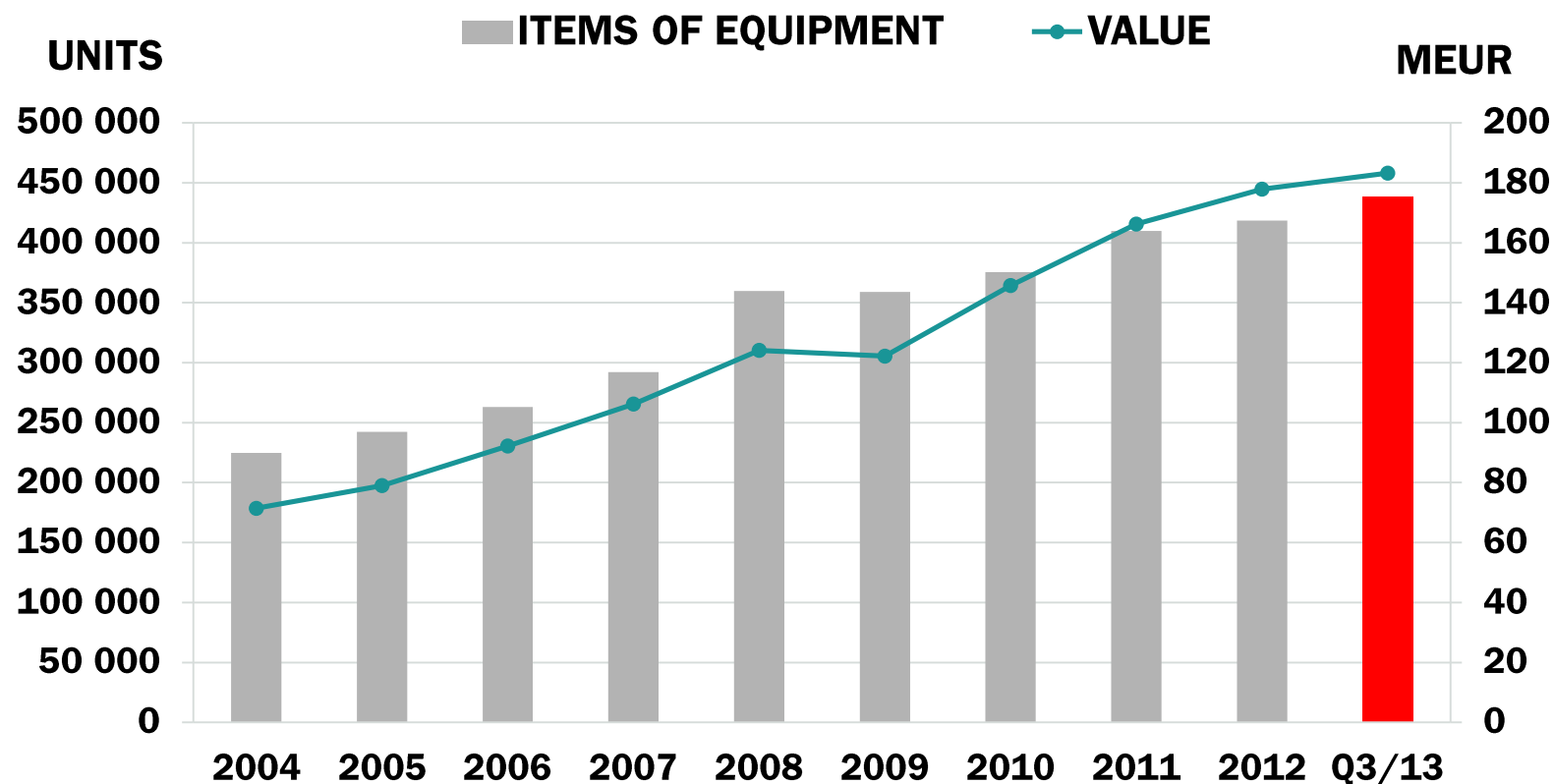
Q3 EBIT: 20.7 (20.8) MEUR, -0.5% | MARGIN: 9.6% (9.5%), excluding restructuring costs



- EBIT margin a tad up Y/Y despite the lack of volume growth

SERVICE CONTRACT BASE

Q3 CB: 438 (423) thousand units, +3.7% | Annual value 183 (182) MEUR, +0.6% Y/Y

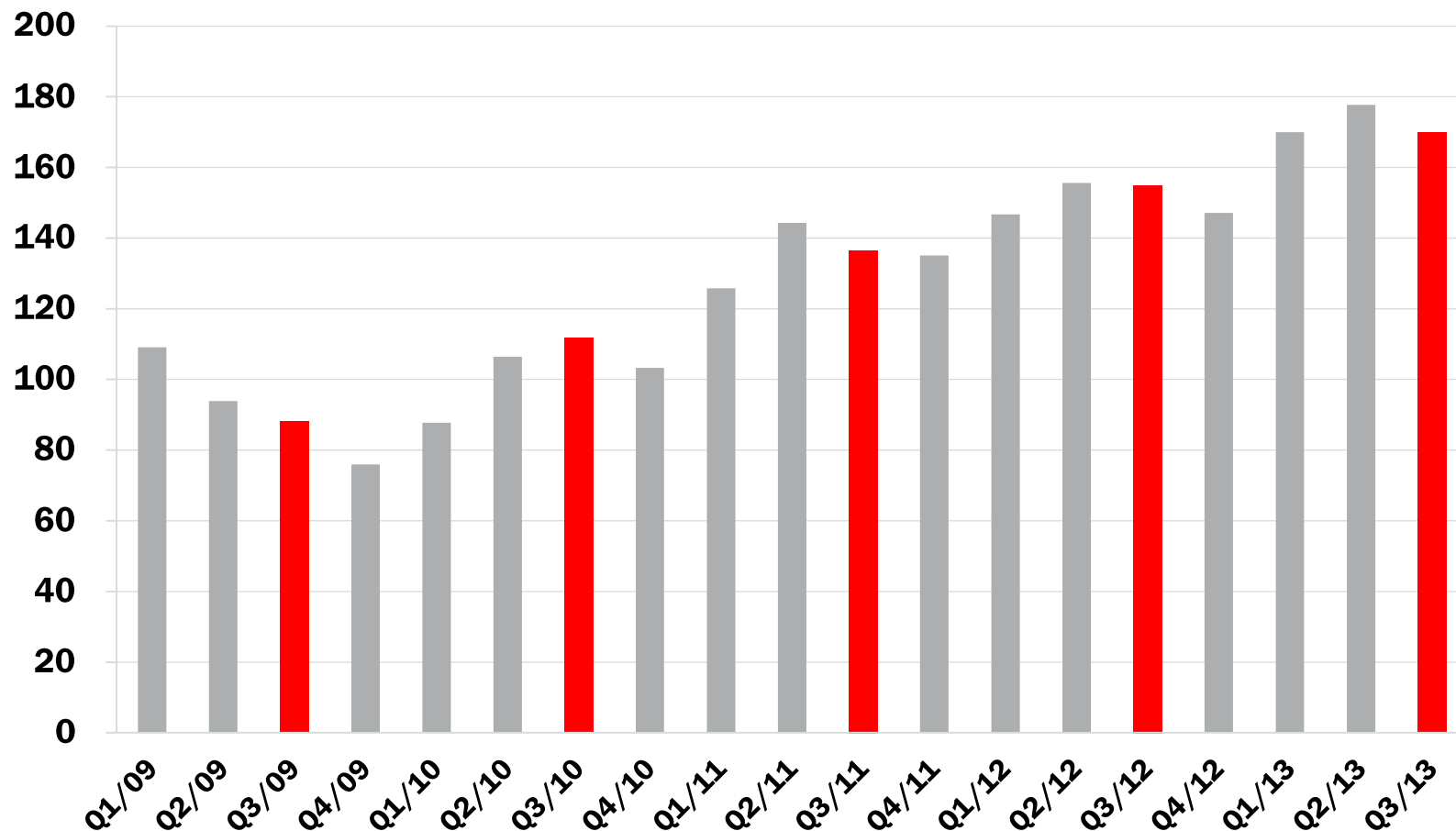


- Currencies affected the annual contract base value by approximately 4 percent Y/Y

SERVICE ORDER BOOK

Q3 Order book: 169.9 (154.9) MEUR, +9.7%

MEUR

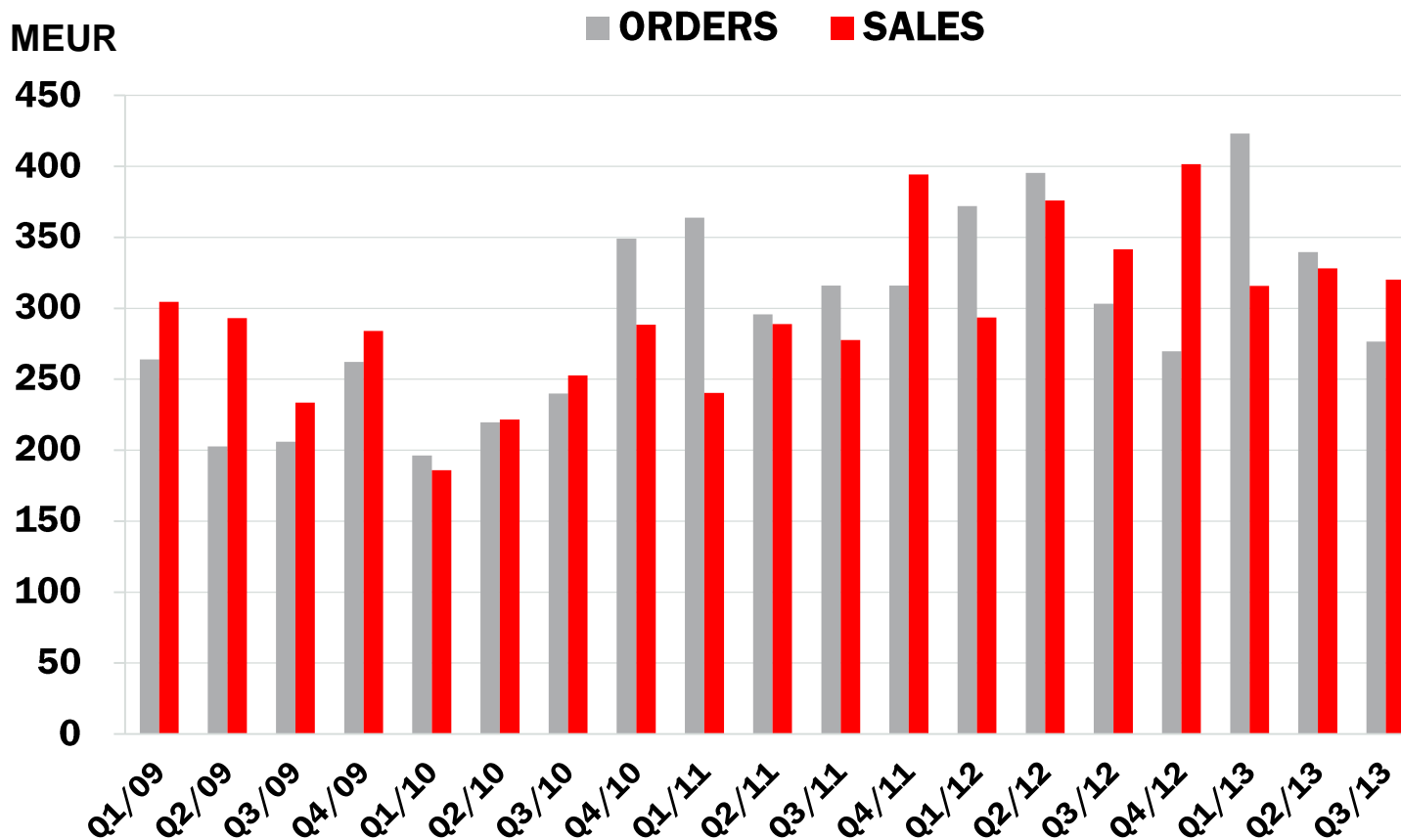




EQUIPMENT

EQUIPMENT ORDERS AND NET SALES

Q3 Orders: 276.6 (303.2) MEUR, -8.8%* | Net sales: 320.3 (341.6) MEUR, -6.3%**

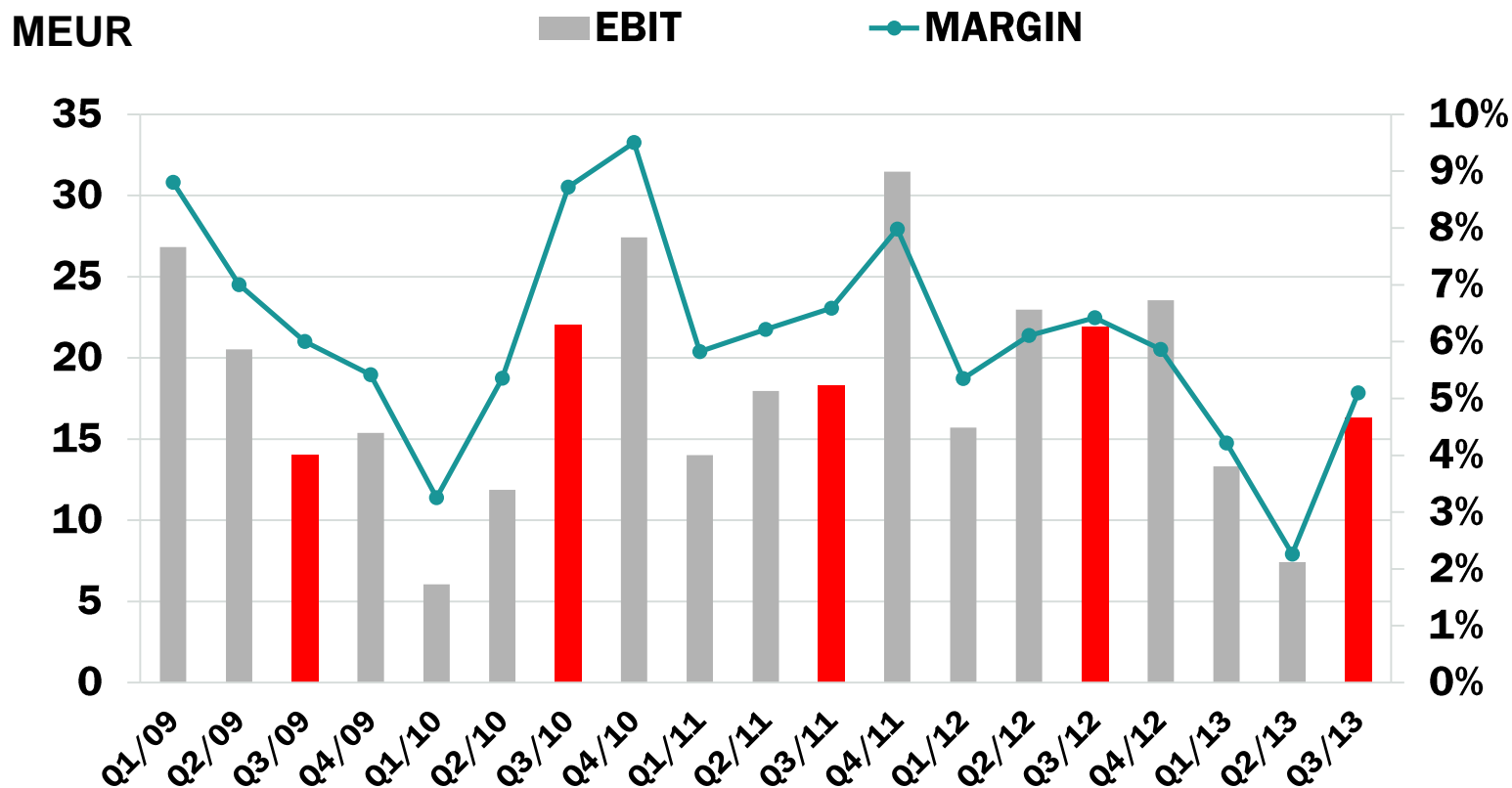


- Orders received rose in the Americas but fell in EMEA and APAC
- The development of Port Cranes had the most positive outcome Y/Y, whereas orders fell the most in Industrial Cranes

*-4.9% at comparable currencies, **-2.8% at comparable currencies

EQUIPMENT EBIT & MARGIN

Q3 EBIT: 16.3 (21.9) MEUR, -25.6% | MARGIN: 5.1% (6.4%), excluding restructuring costs



- EBIT margin fell due to the lower sales

EQUIPMENT ORDER BOOK

Q3 Order book: 849.0 (930.2) MEUR, -8.7%

MEUR

1200

1000

800

600

400

200

0

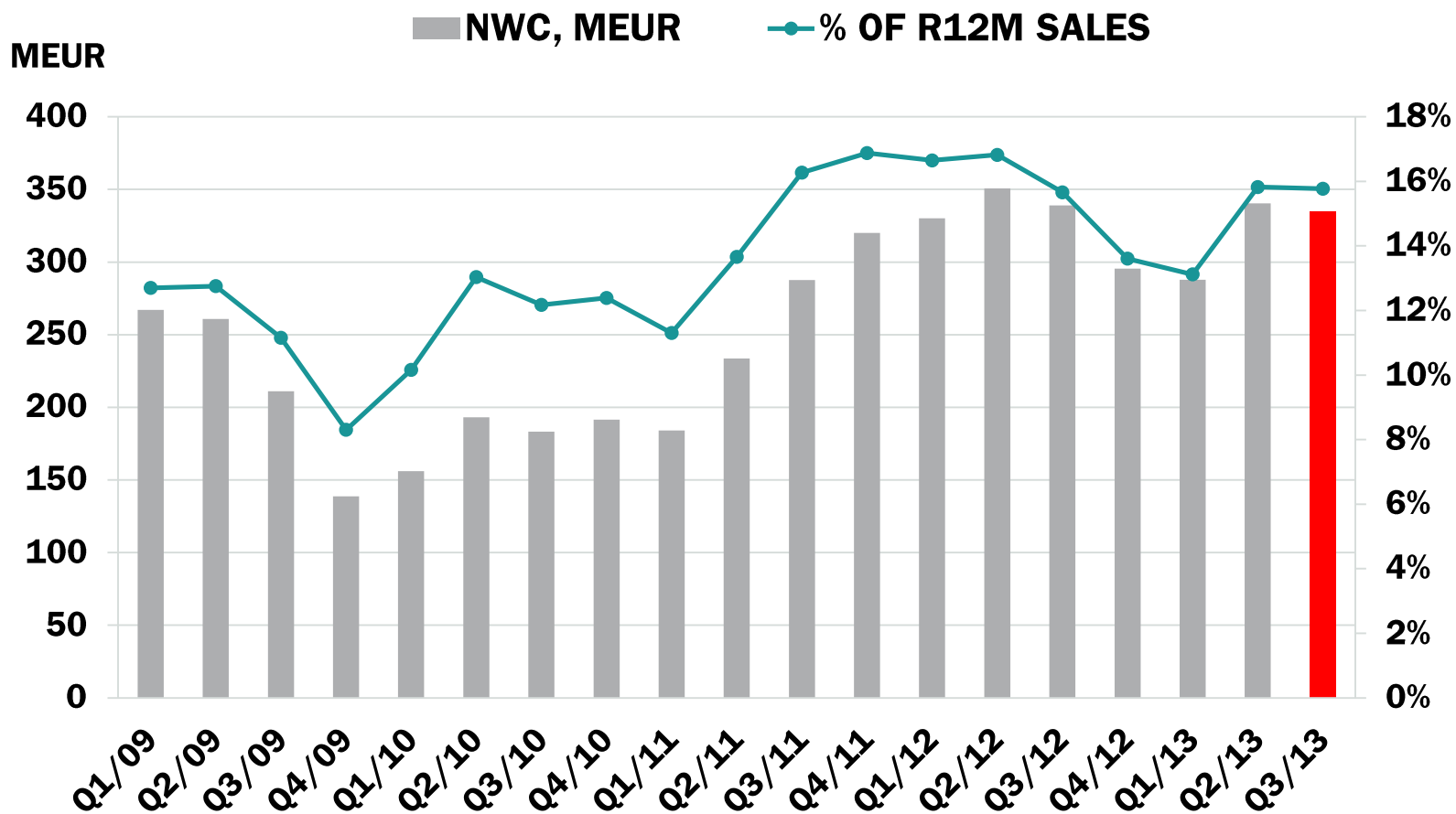
Q1/09 Q2/09 Q3/09 Q4/09 Q1/10 Q2/10 Q3/10 Q4/10 Q1/11 Q2/11 Q3/11 Q4/11 Q1/12 Q2/12 Q3/12 Q4/12 Q1/13 Q2/13 Q3/13



BALANCE SHEET AND CASH FLOW

NET WORKING CAPITAL

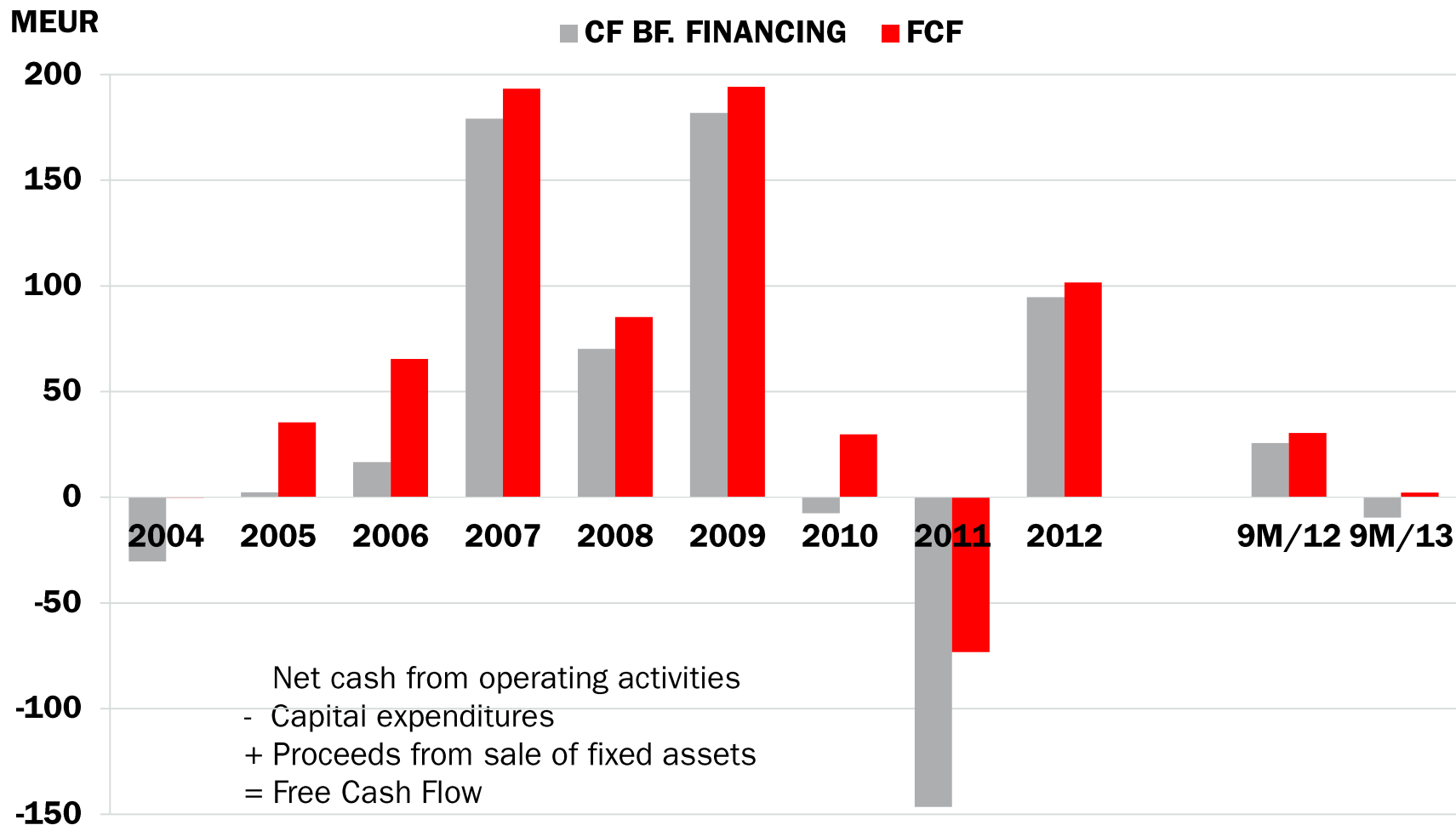
Q3 NWC: 334.9 (339.0) MEUR | 15.8% (15.7%) of R12M sales



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

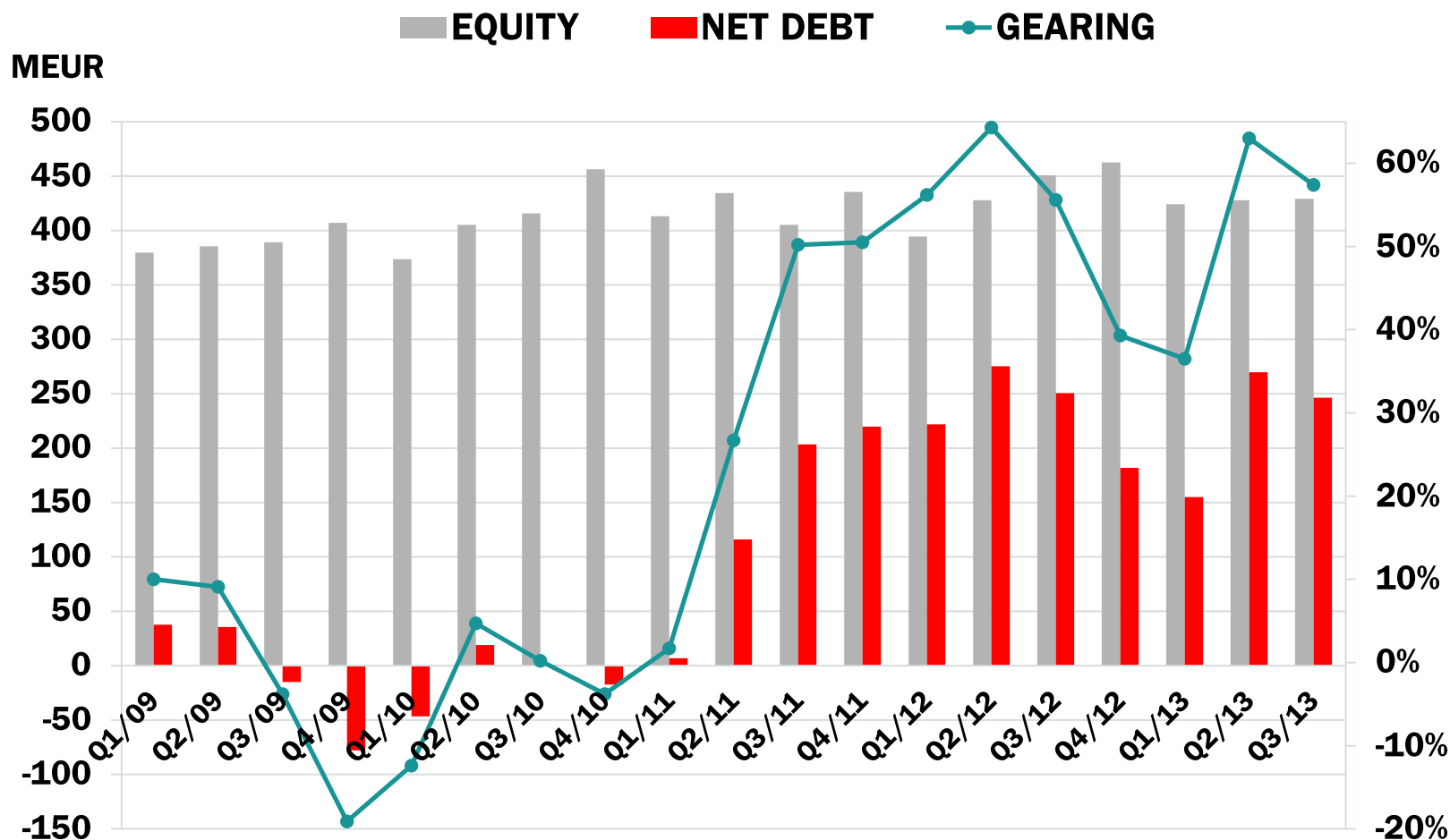
CF BEFORE FINANCING ACTIVITIES AND FCF

9M CF BF. FINANCING: -9.6 (25.6) MEUR | FCF: 2.2 (30.4) MEUR

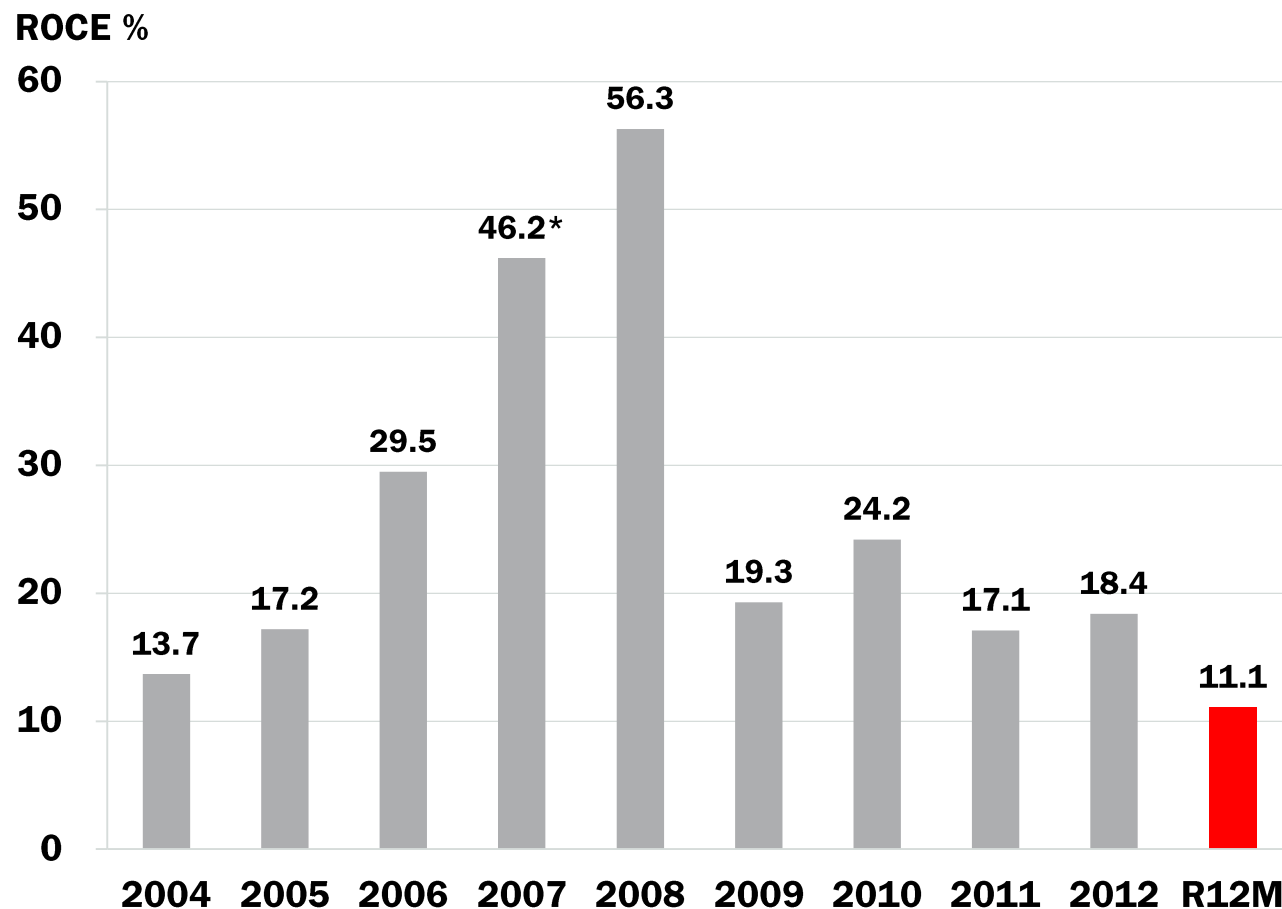


GEARING

Q3 Equity: 429.1 (450.8) MEUR | Net debt: 246.3 (250.5) MEUR | Gearing: 57.4% (55.6%)



RETURN ON CAPITAL EMPLOYED



*) The 2007 ROCE including capital gain was 50.4%



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



APPENDIXES

STATEMENT OF INCOME

MEUR	9M 2013	9M 2012	% Change
Sales	1,518.7	1,566.4	-3.0
Other operating income	1.4	1.6	
Depreciation and impairments	-45.8	-30.8	
Other operating expenses	-1,429.5	-1,441.2	
Operating profit	44.8	96.1	-53.4
Share of associates' and joint ventures' result	2.9	2.3	
Financial income and expenses	-8.1	-7.9	
Profit before taxes	39.6	90.5	-56.2
Taxes	-12.3	-28.0	
Net profit for the period	27.3	62.5	-56.3

BALANCE SHEET

MEUR	September 30, 2013	September 30, 2012	MEUR	September 30, 2013	September 30, 2012
Non-current assets	478.2	478.1	Equity	429.1	450.8
Inventories	368.5	420.0	Non-current liabilities	235.0	294.4
Other current assets	556.3	634.7	Provisions	45.8	48.3
Cash and cash equivalents	101.1	112.0	Current liabilities	792.1	851.3
Total assets	1,502.1	1,644.7	Total equity and liabilities	1,502.1	1,644.7

CASH FLOW STATEMENT

MEUR	9M 2013	9M 2012
Operating income before change in net working capital	94.3	128.8
Change in net working capital	-8.9	-11.2
Financing items and taxes	-44.7	-43.9
Net cash from operating activities	40.6	73.6
Cash flow from investing activities	-50.3	-48.1
Cash flow before financing activities	-9.6	25.6
Proceeds from options exercised and share issues	5.9	0.6
Change in interest-bearing debt	24.6	68.3
Dividends paid to equity holders of the parent	-60.6	-57.2
Net cash used in financing activities	-30.1	11.8
Translation differences in cash	-4.5	1.2
Change of cash and cash equivalents	-44.3	38.5
Cash and cash equivalents at beginning of period	145.3	73.5
Cash and cash equivalents at end of period	101.1	112.0
Change of cash and cash equivalents	-44.3	38.5

KEY FIGURES

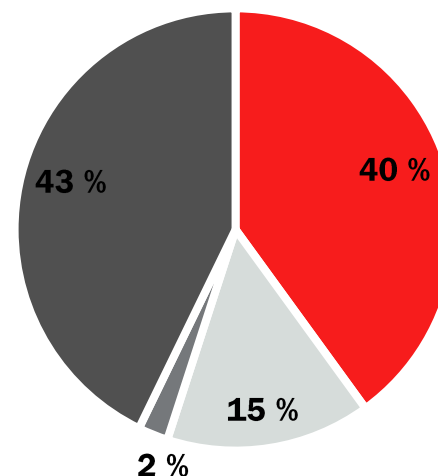
MEUR	9M 2013	9M 2012	% Change
Earnings per share, basic, EUR	0.47	1.08	-56.4
Earnings per share, diluted, EUR	0.47	1.07	-56.3
Return on capital employed %, R12M	11.1	18.4	
Return on equity %, R12M	11.3	19.9	
Equity per share, EUR	7.32	7.77	-5.8
Current ratio	1.2	1.3	
Gearing (%)	57.4	55.6	
Solidity (%)	33.2	33.2	
EBITDA, MEUR	90.7	126.8	-28.5
Investments total (excl. acquisitions), MEUR	49.6	23.5	110.7
Interest-bearing net debt, MEUR	246.3	250.5	-1.7
Net working capital, MEUR	334.9	339.0	-1.2
Personnel at end of period	11,934	12,107	-1.4
Personnel on average during the period	12,026	11,860	1.4
Average number of shares outstanding, basic	57,640,419	57,216,307	0.7
Average number of shares outstanding, diluted	57,848,819	57,510,240	0.6
Number of shares outstanding	57,805,830	57,253,721	1.0

THE LARGEST SHAREHOLDERS

Largest shareholders on September 30, 2013	Number of shares	% of all shares
1 HTT KCR Holding Oy Ab	6,870,568	10.86
2 Nordea Investment Funds	2,551,827	4.03
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 The State Pension Fund	1,045,292	1.65
6 Nordea Nordenfonden	928,092	1.47
7 Sigrid Jusélius Foundation	638,500	1.01
8 Folkhälsan Samfundet i Svenska Finland	535,600	0.85
9 Fondita Funds	524,500	0.83
10 Ilmarinen Mutual Pension Insurance Company	470,225	0.74
Konecranes Plc's treasury shares	5,466,512	8.64
Nominee registered shares	27,104,337	42.84
Other shareholders	13,872,687	21.93
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 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 1,439 million excluding treasury shares



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

Trading information

- Listing: NASDAX OMX Helsinki
- Date of listing: March 27, 1996
- Segment: Large Cap
- Sector: Industrials
- Trading code: KCR1V
- 1-9/13 average daily trading volume 226,359 shares, EUR 5.8 million

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