

Q3 2015 INTERIM REPORT

October 21, 2015

Teo Ottola, CFO & Deputy CEO



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.

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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. 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.

HIGHLIGHTS OF Q3/15

- ⊕ Service order intake and contract base growth
- ⊕ Service EBIT continued to improve
- ⊕ EUR30m cost savings program on track
- ⊖ Equipment order intake
- ⊖ Service and Equipment sales lower than expected
- ⊖ Equipment profitability

Q3 ORDERS RECEIVED Y/Y	EMEA	AME	APAC
SERVICE			
EQUIPMENT			

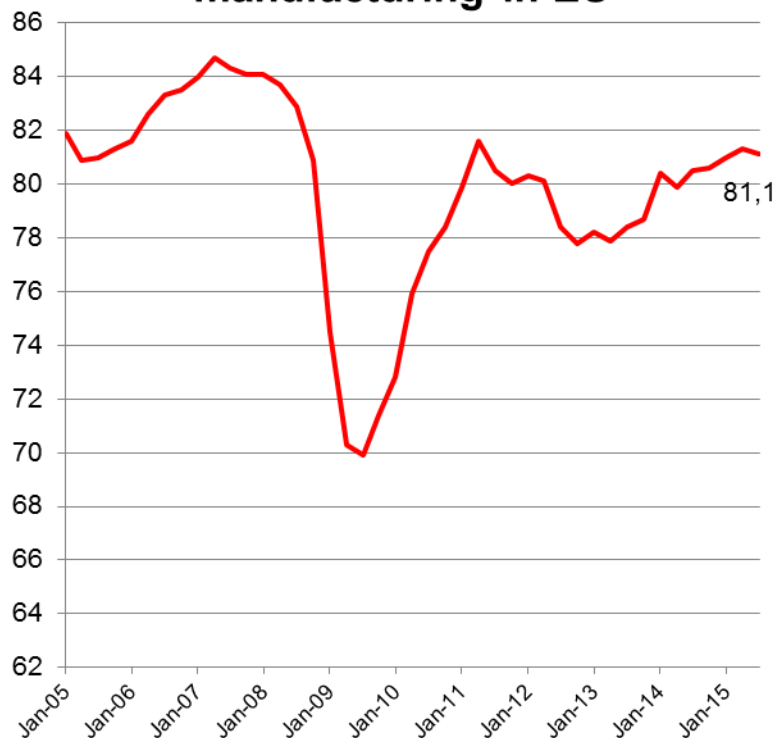
KEY FIGURES

KEY FIGURES	Q3 2015	Q3 2014	Chg %	Chg % FX adj.
Orders received, MEUR	443.8	427.4	+3.8	-2.8
Order book at end of period, MEUR	1,075.3	1,026.2	+4.8	+2.3
Net sales, MEUR	506.7	494.4	+2.5	-3.0
Operating profit (EBIT) excluding non-recurring items*, MEUR	33.3	34.8	-4.4	
Operating margin (EBIT) excluding non-recurring items*, %	6.6%	7.0%		
Non-recurring items*, MEUR	29.1	0.3		
Operating profit (EBIT), MEUR	4.1	34.5	-88.0	
Operating margin (EBIT), %	0.8%	7.0%		
EPS, basic, EUR	0.02	0.43	-95.2	
Free cash flow, MEUR	39.6	55.9		
Return on capital employed %, Rolling 12 Months	11.8%	15.6 %		

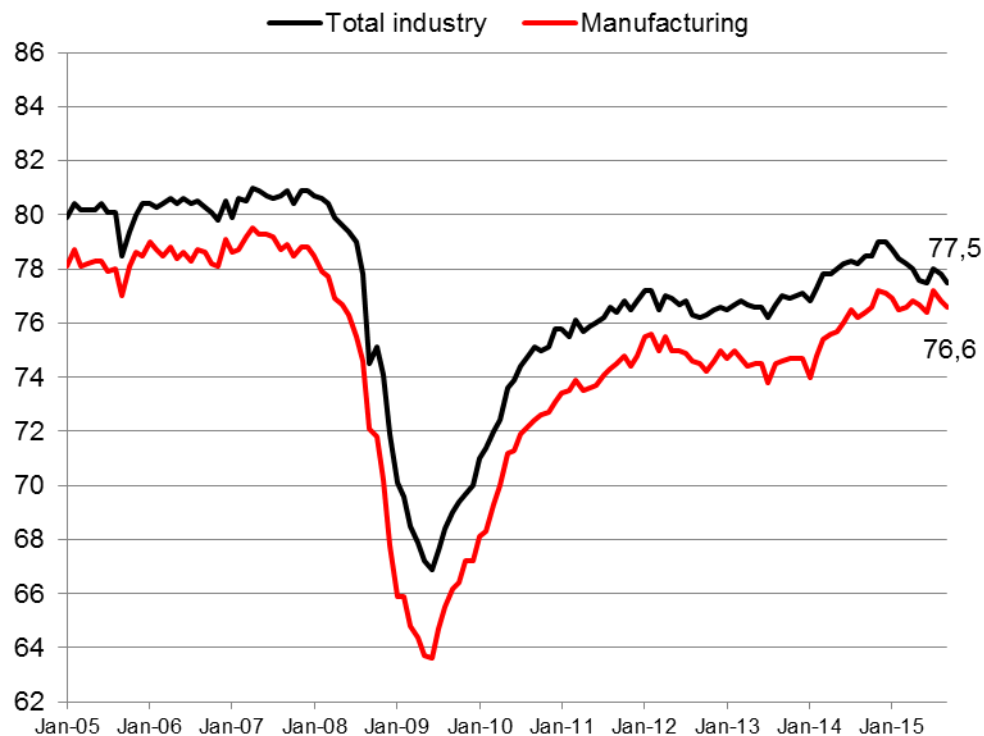
*) Non-recurring items include transaction costs (-8.5 MEUR in 7-9/2015) which contain advisory, legal and consulting fees related to Konecranes Terex merger, restructuring costs (-3.7 MEUR in 7-9/2015) and the unwarranted payments due to the identity theft and fraudulent actions in a total amount of up to EUR -17.0 million. The non-recurring items in 2014 included restructuring costs only.

CAPACITY UTILIZATION: EU27 AND USA

Capacity utilisation of manufacturing in EU



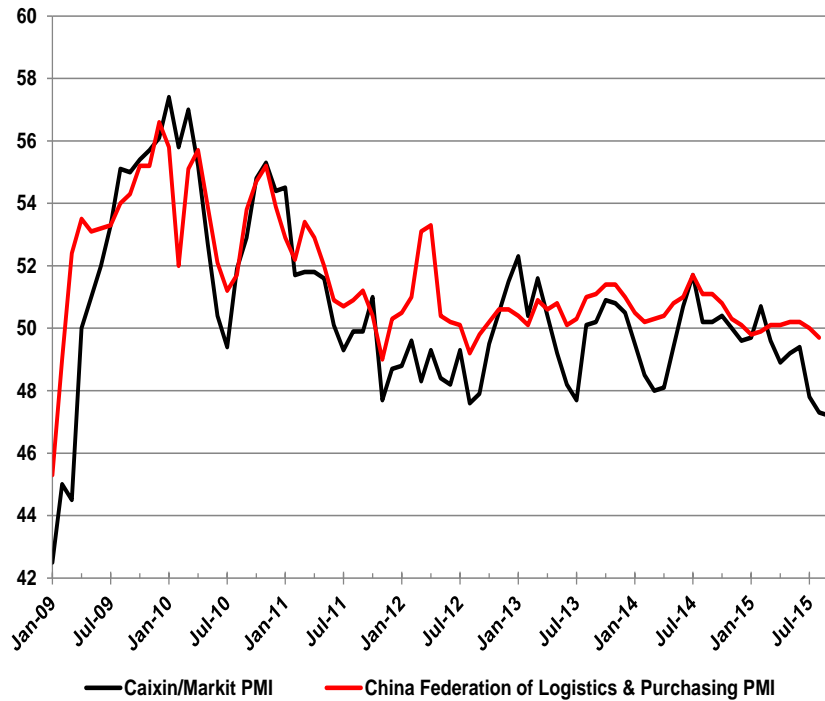
Capacity utilisation in the USA



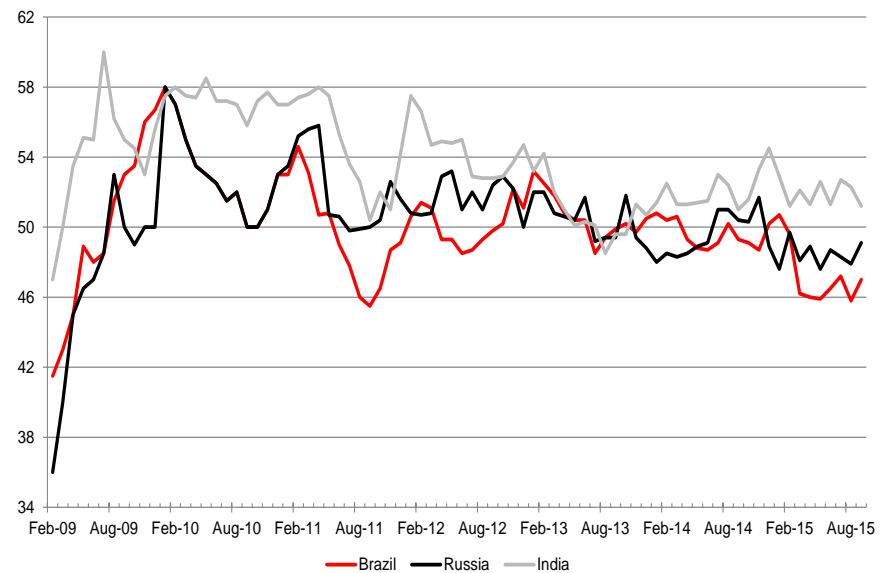
SOURCES: Eurostat (latest data point Q3/15), Federal Reserve Bank of St. Louis (September 2015)

PMI'S IN THE BRIC COUNTRIES

Chinese manufacturing PMI

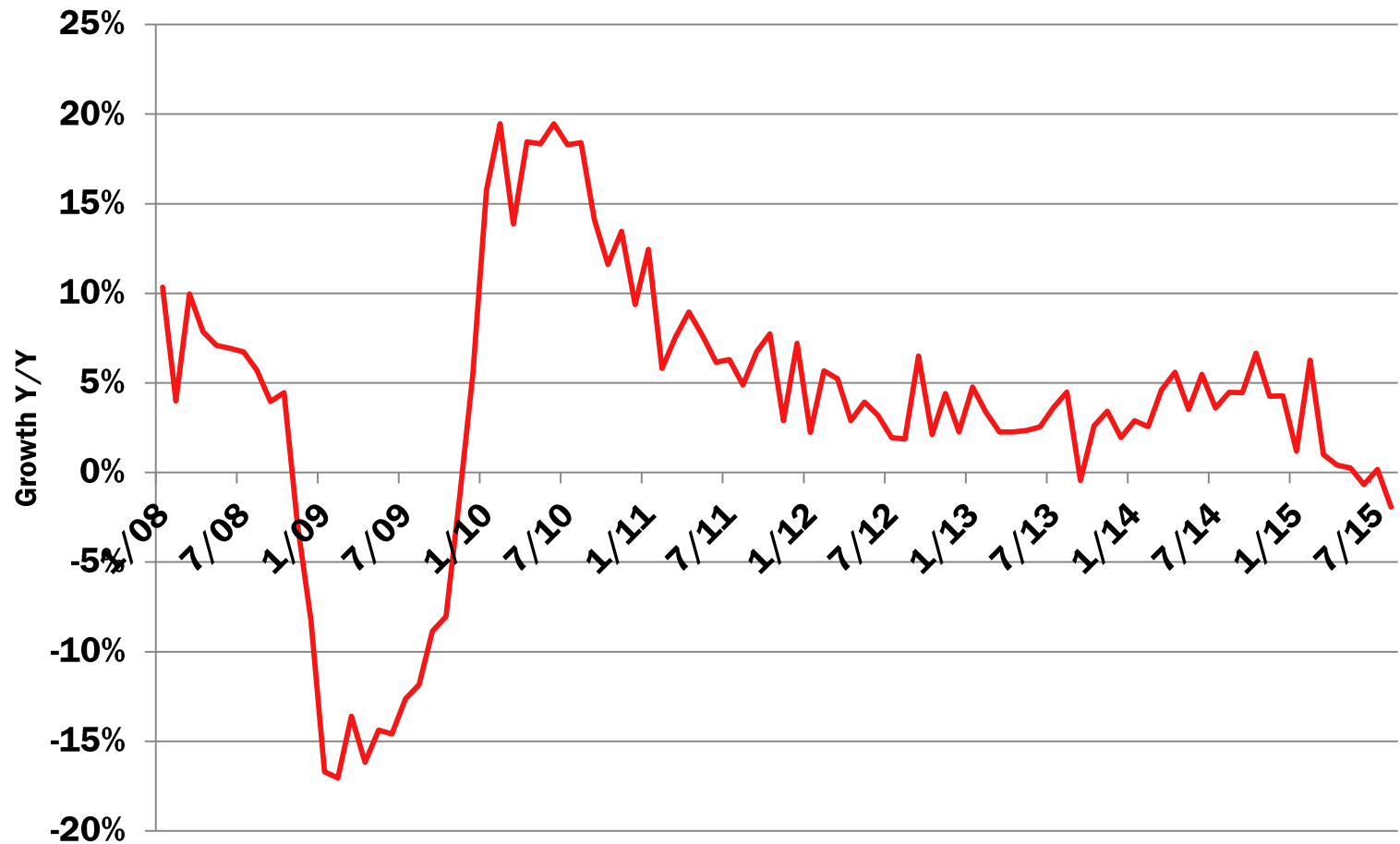


Brazil, Russia, India - PMI



SOURCES: Markit (latest data point September 2015)

CONTAINER THROUGHPUT



Source: RWI/ISL Container Throughput Index (latest data point August 2015)

MARKET OUTLOOK AND FINANCIAL GUIDANCE AS OF OCTOBER 21, 2015

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.
- Demand outlook among customers in developed market is more stable.
- Continued contract base growth bodes well for the future of the service business.
- The quarterly Equipment order intake may fluctuate due to the timing of the large port crane projects.

Financial guidance

- Based on the order book, service contract base, and the near-term demand outlook, the year 2015 sales are expected to be slightly higher than in 2014.
- We expect the 2015 operating profit, excluding restructuring costs, transaction costs related to the Terex merger and the effect of the fraudulent actions against Konecranes, to be approximately on the same level as in 2014.

CHANGES IN PERSONNEL DUE TO RESTRUCTURING

• Group headcount at year-end 2014	11,982 people
• Personnel change due to restructuring mainly in Equipment	~ -310 people
• New, mainly Service-related, recruitment in the Americas and Africa	~ +210 people
• Reporting change in Q3/15	~ +110 people
• Group headcount at end-Q3/15	11,997 people

COST SAVINGS AND RESTRUCTURING COSTS IN 2015

- Cost savings

Approx. EUR6m

- Restructuring costs

- Service
- Equipment
- Cash costs
- Non-cash costs

EUR15.5m (1.6)

EUR3.4m (1.4)

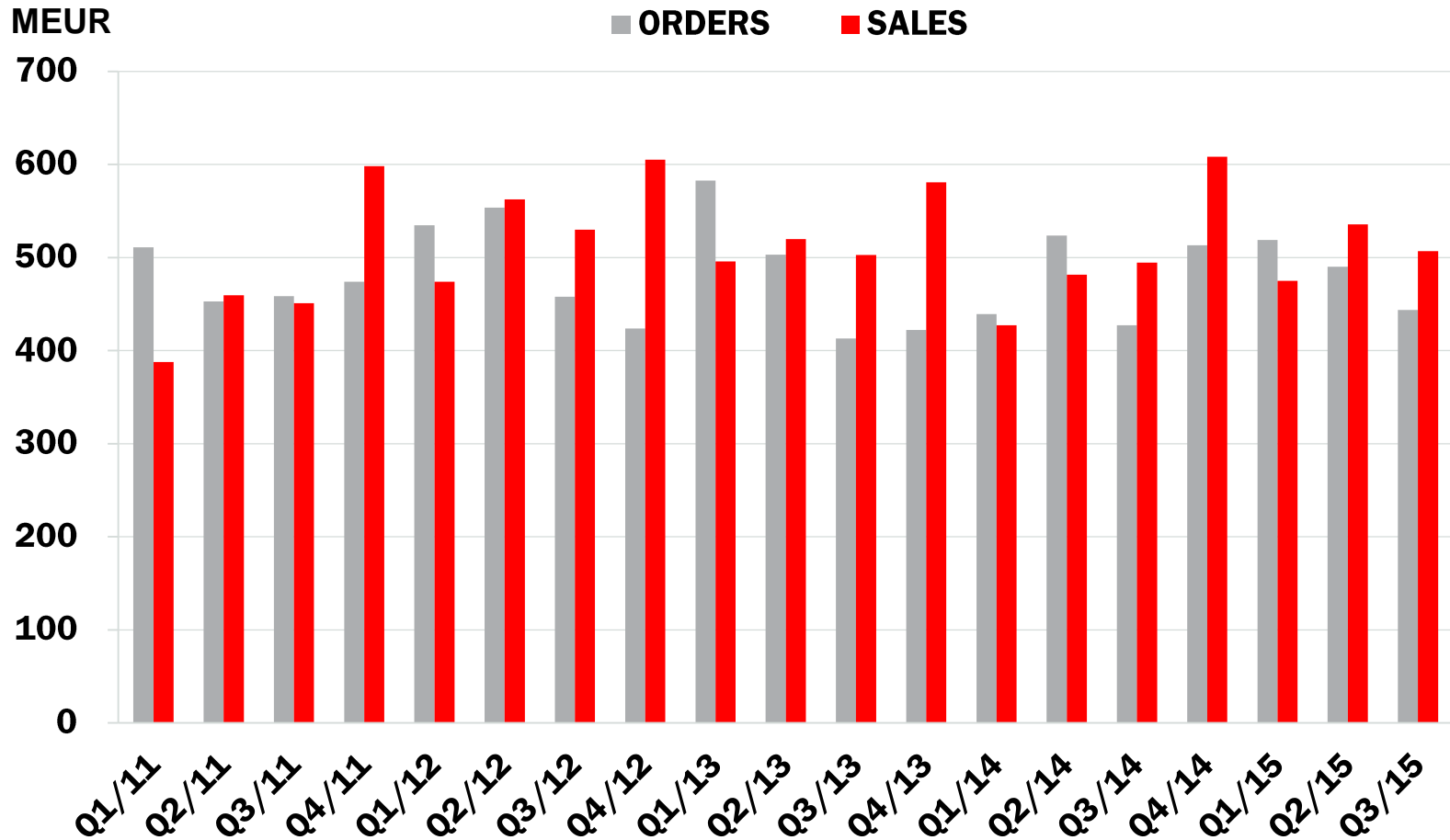
EUR12.1m (0.3)

EUR6.5m

EUR8.9m

GROUP ORDERS AND NET SALES

Q3 Orders: 443.8 (427.4) MEUR, +3.8%* | Net sales: 506.7 (494.4) MEUR, +2.5%**



*-2.8% at comparable currencies, **-3.0% at comparable currencies

GROUP ORDER BOOK

Q3 Order book: 1,075.3 (1,026.2) MEUR, +4.8%*

MEUR

1200

1000

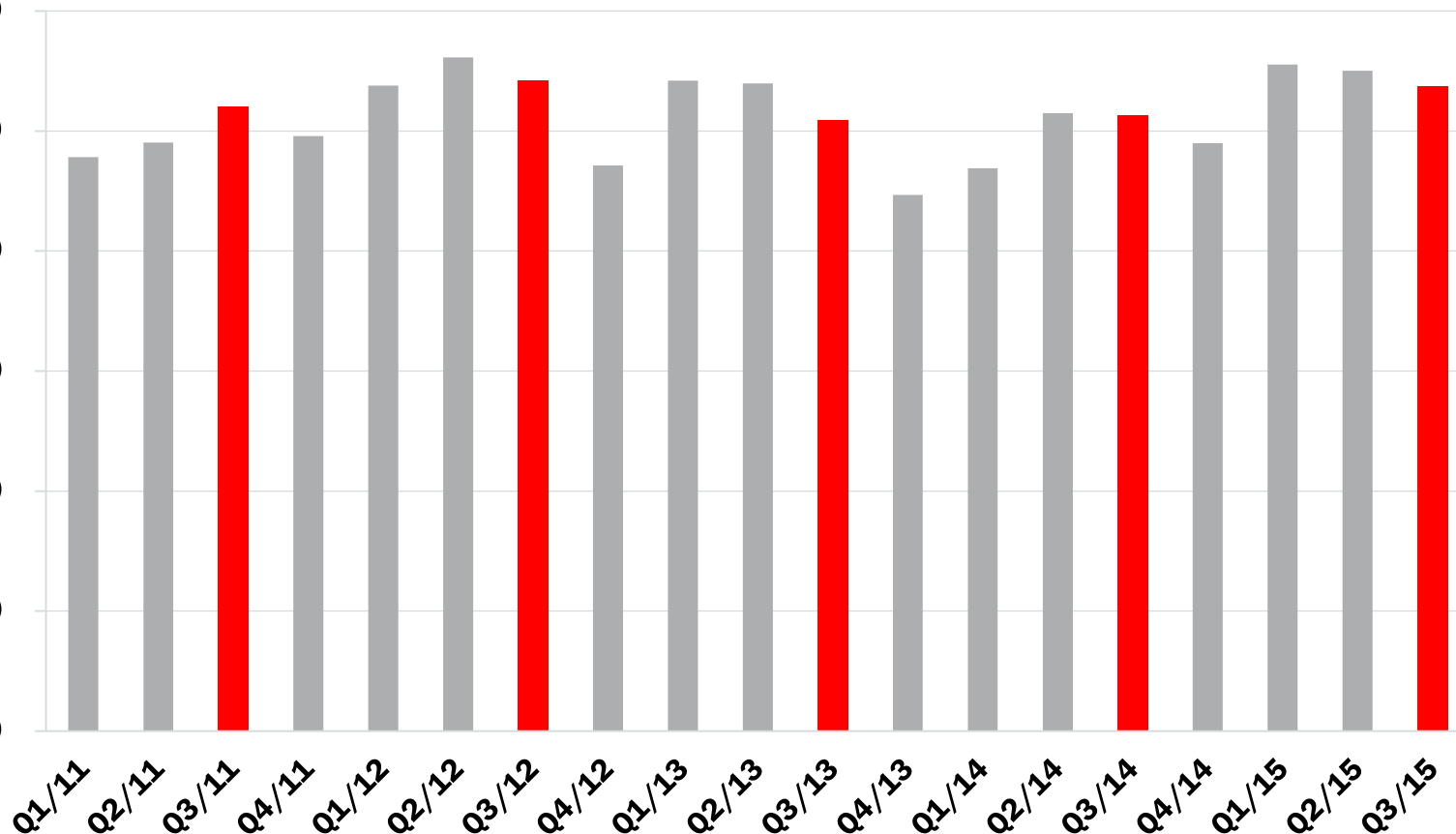
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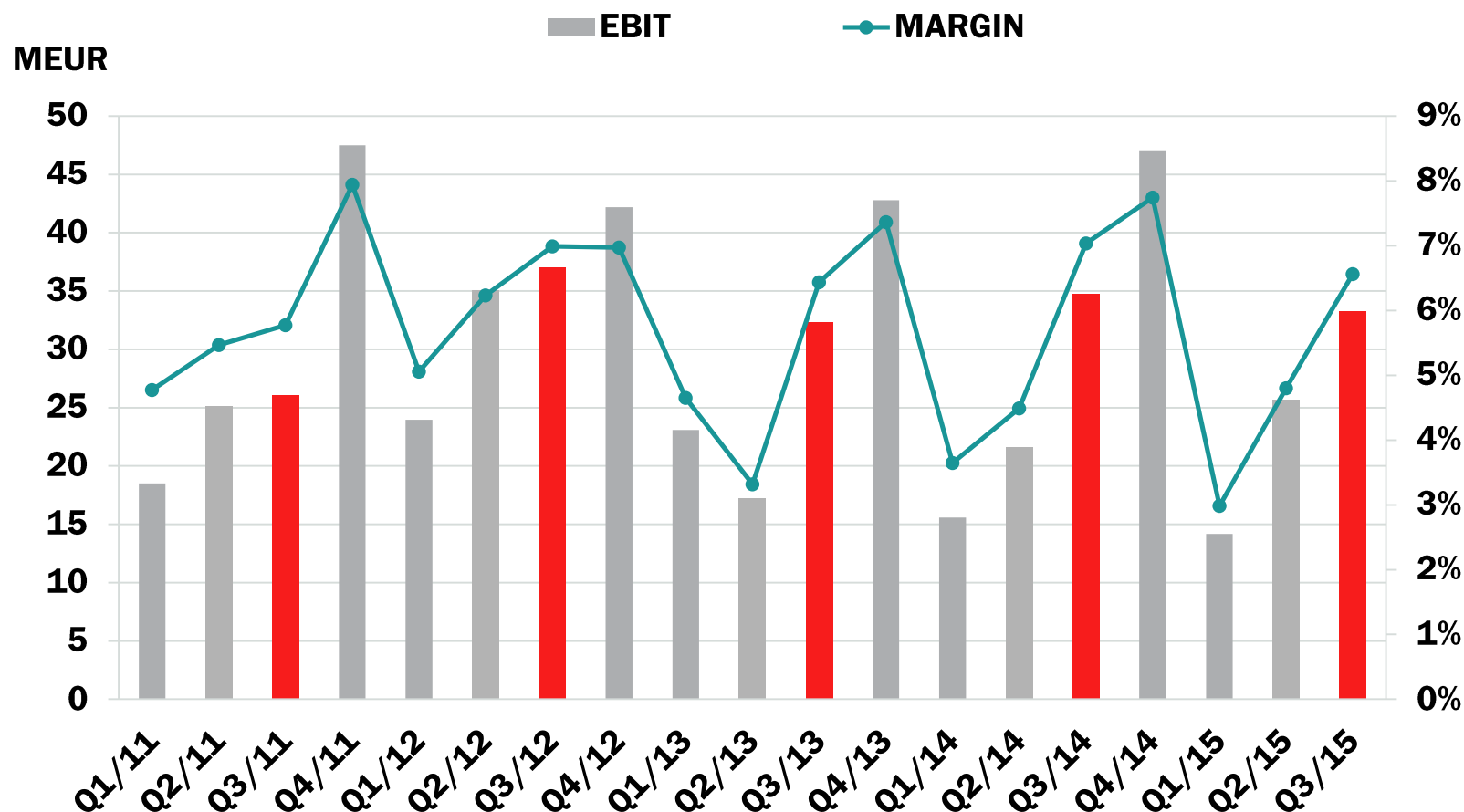
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*+2.3% at comparable currencies

GROUP EBIT & MARGIN

Q3 EBIT: 33.3 (34.8) MEUR, -4.4% | MARGIN: 6.6% (7.0%),
excluding non-recurring items*

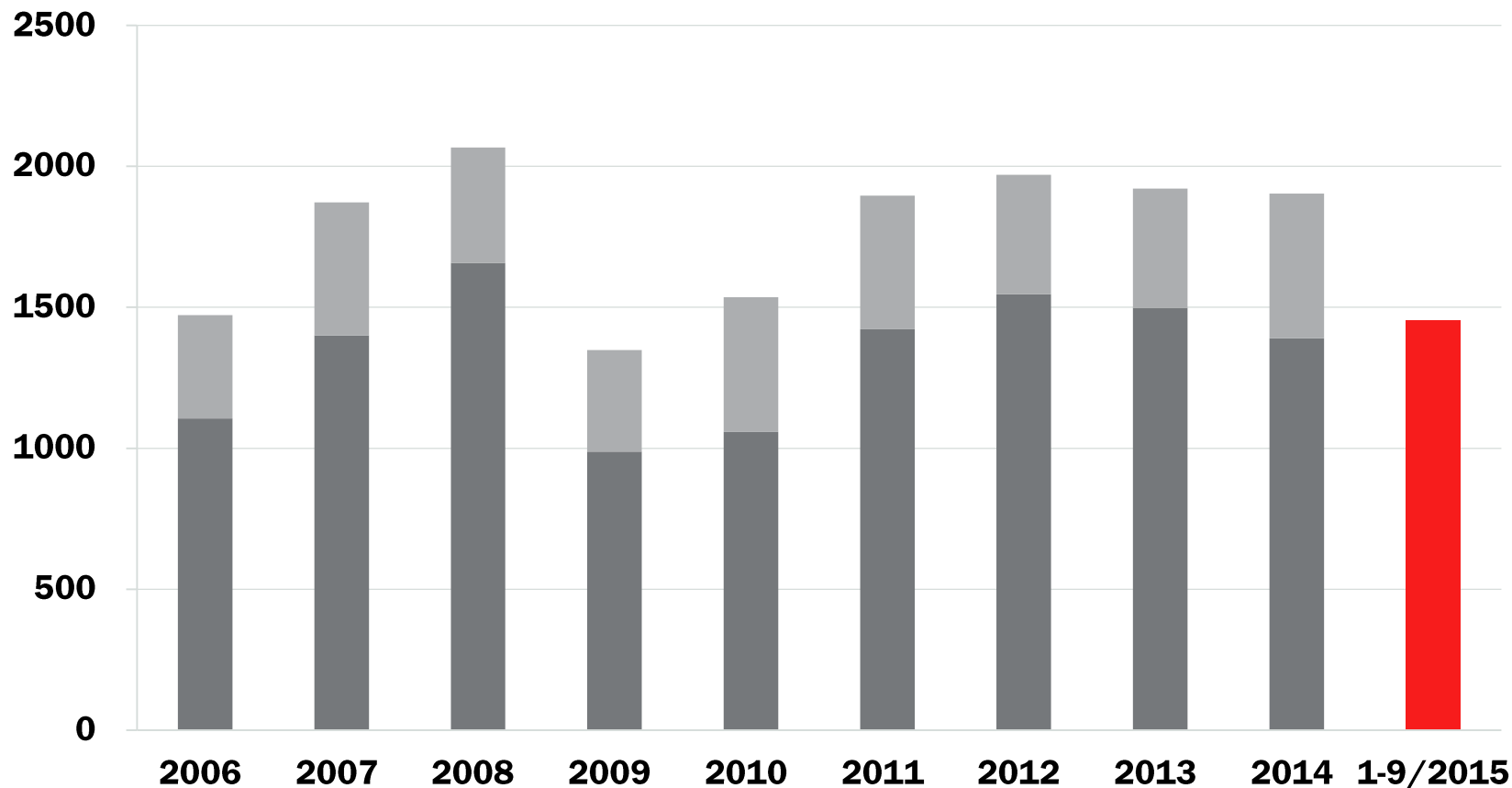


*Non-recurring items for 2015 include restructuring costs, transaction costs relating to the Terex merger, and unwarranted payments due to identity theft and fraudulent actions. Prior years' figures excluding restructuring costs.

GROUP ORDERS RECEIVED

9M Orders: 1,452.9 (1,390.2) MEUR, +4.5%*

MEUR

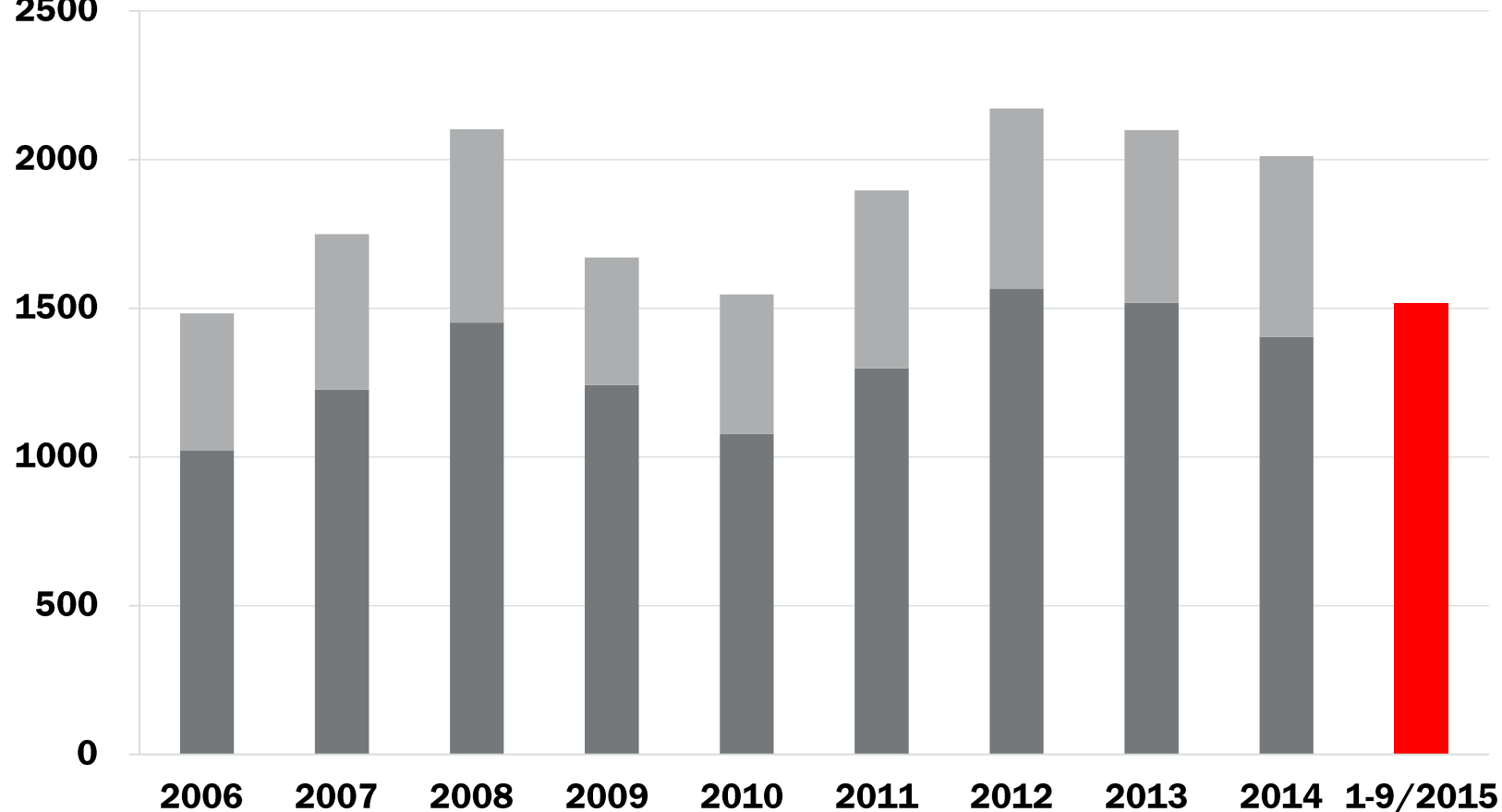


*-2.8% at comparable currencies

GROUP NET SALES

9M Net sales: 1,517.2 (1,403.2) MEUR, +8.1%*

MEUR
2500

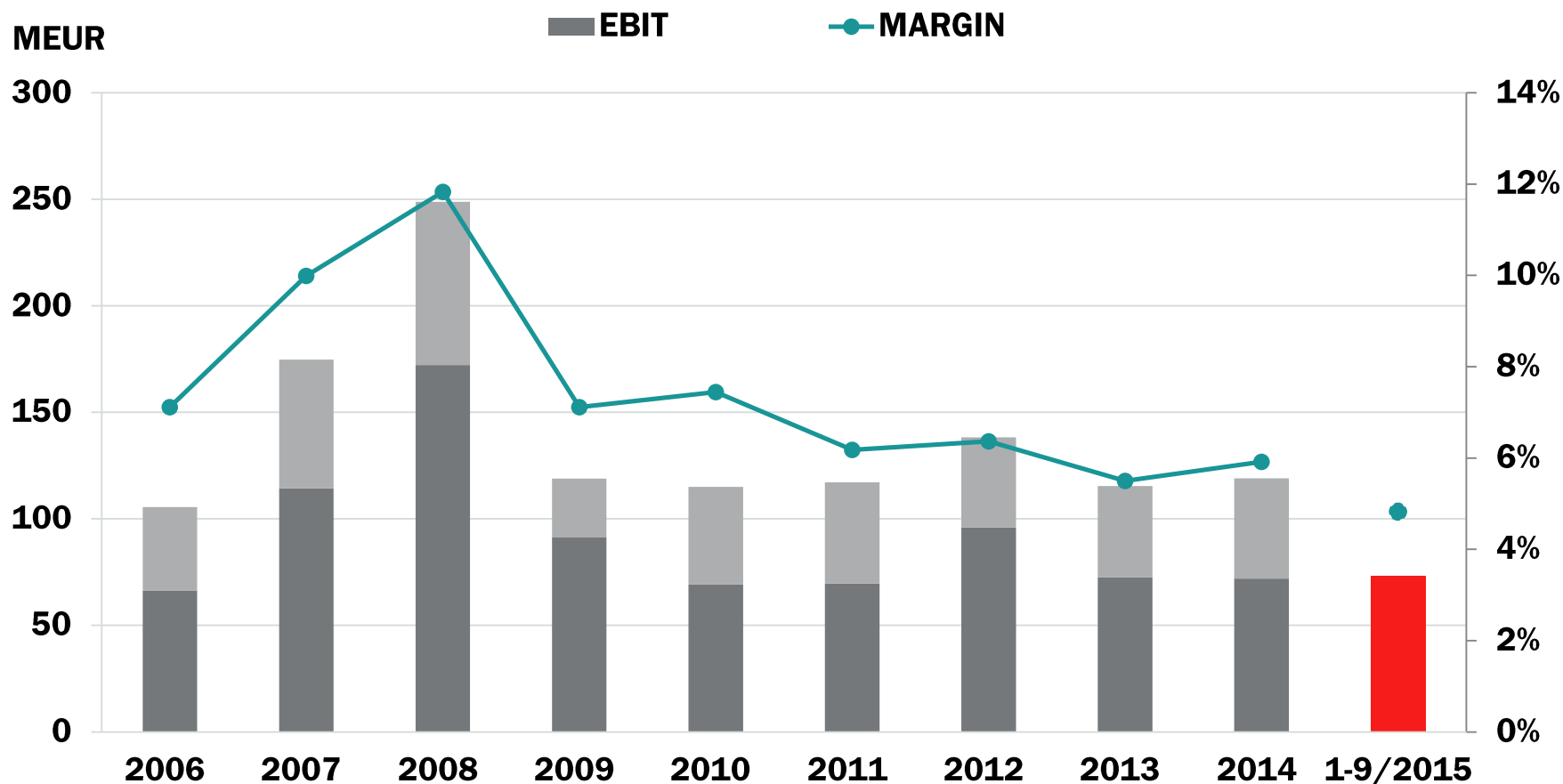


*+0.2% at comparable currencies

GROUP EBIT & MARGIN

9M EBIT 73.2 (72.0) MEUR +1.6% | MARGIN: 4.8% (5.1%)

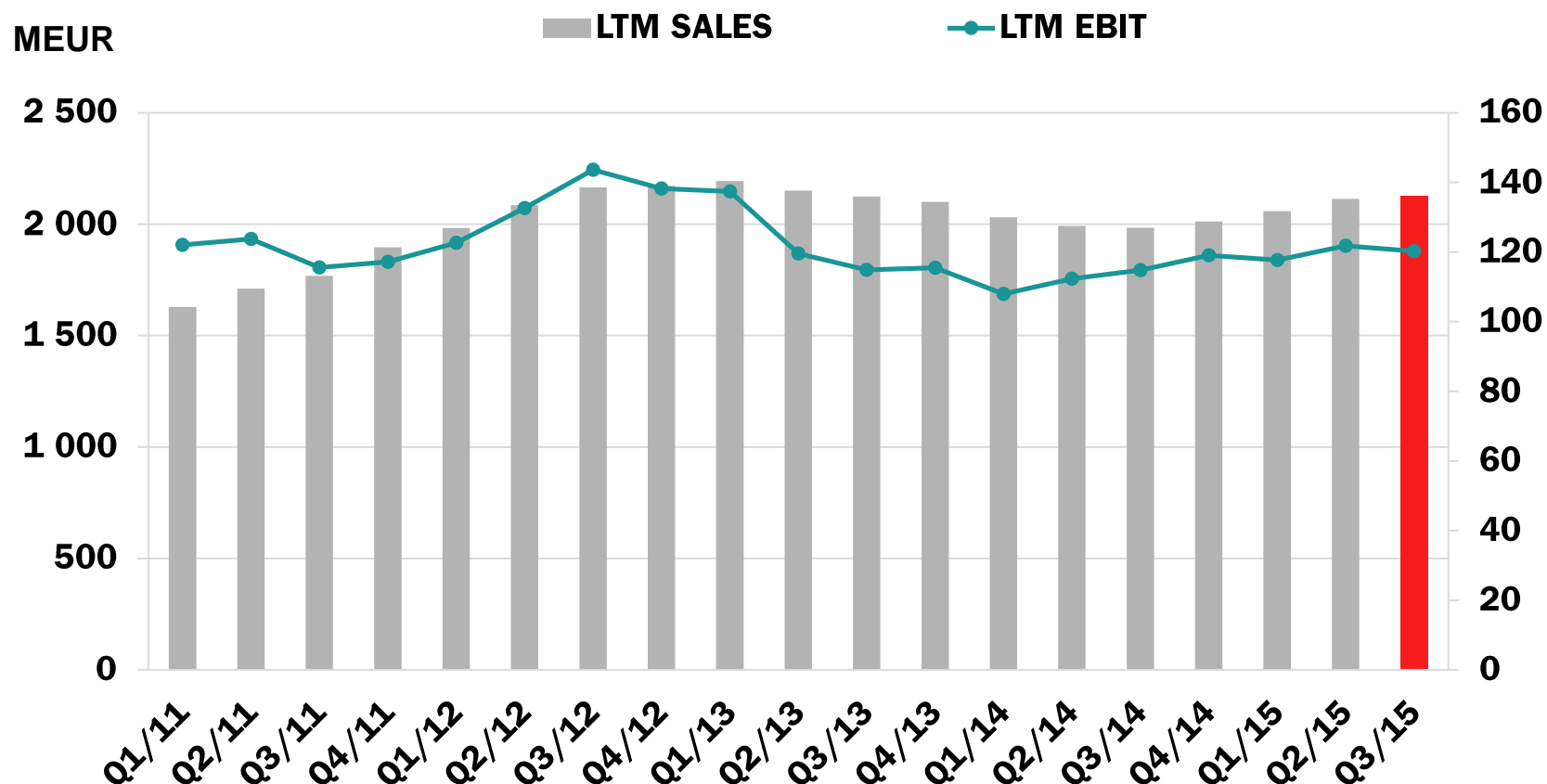
excluding non-recurring items*



*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.

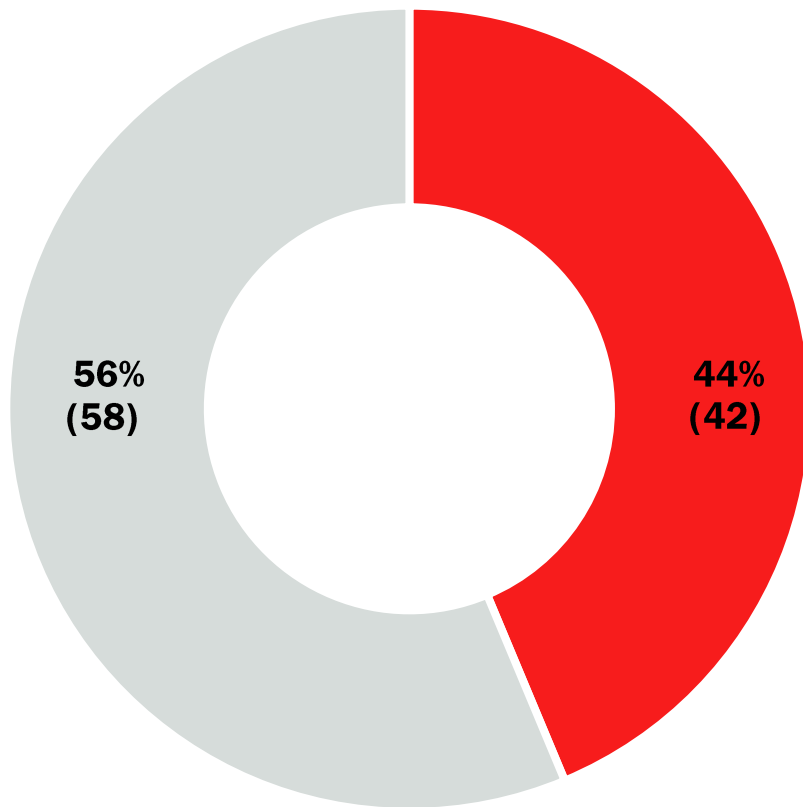
GROUP NET SALES AND EBIT

**R12M Sales: 2,125.4 (1,984.1) MEUR, +7.1% | EBIT: 120.2 (114.8) MEUR, +4.8%,
excluding non-recurring items***

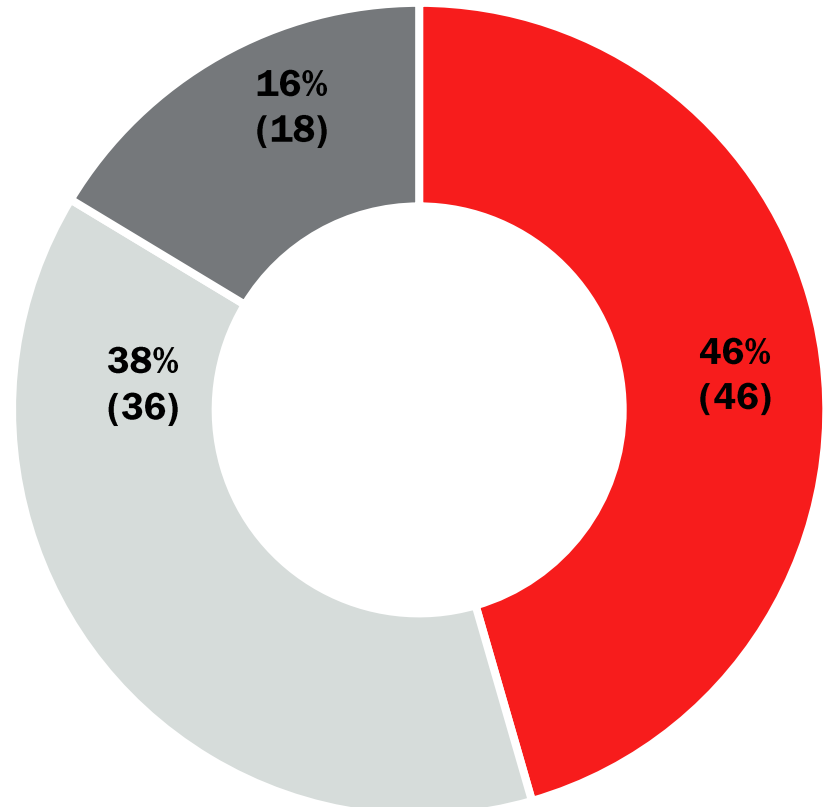


*Non-recurring items for 2015 include restructuring costs, transaction costs relating to the Terex merger, and unwarranted payments due to identity theft and fraudulent actions. Prior years' figures excluding restructuring costs.

SALES SPLIT BY BUSINESS AREA & REGION, R12M



■ SERVICE
■ EQUIPMENT



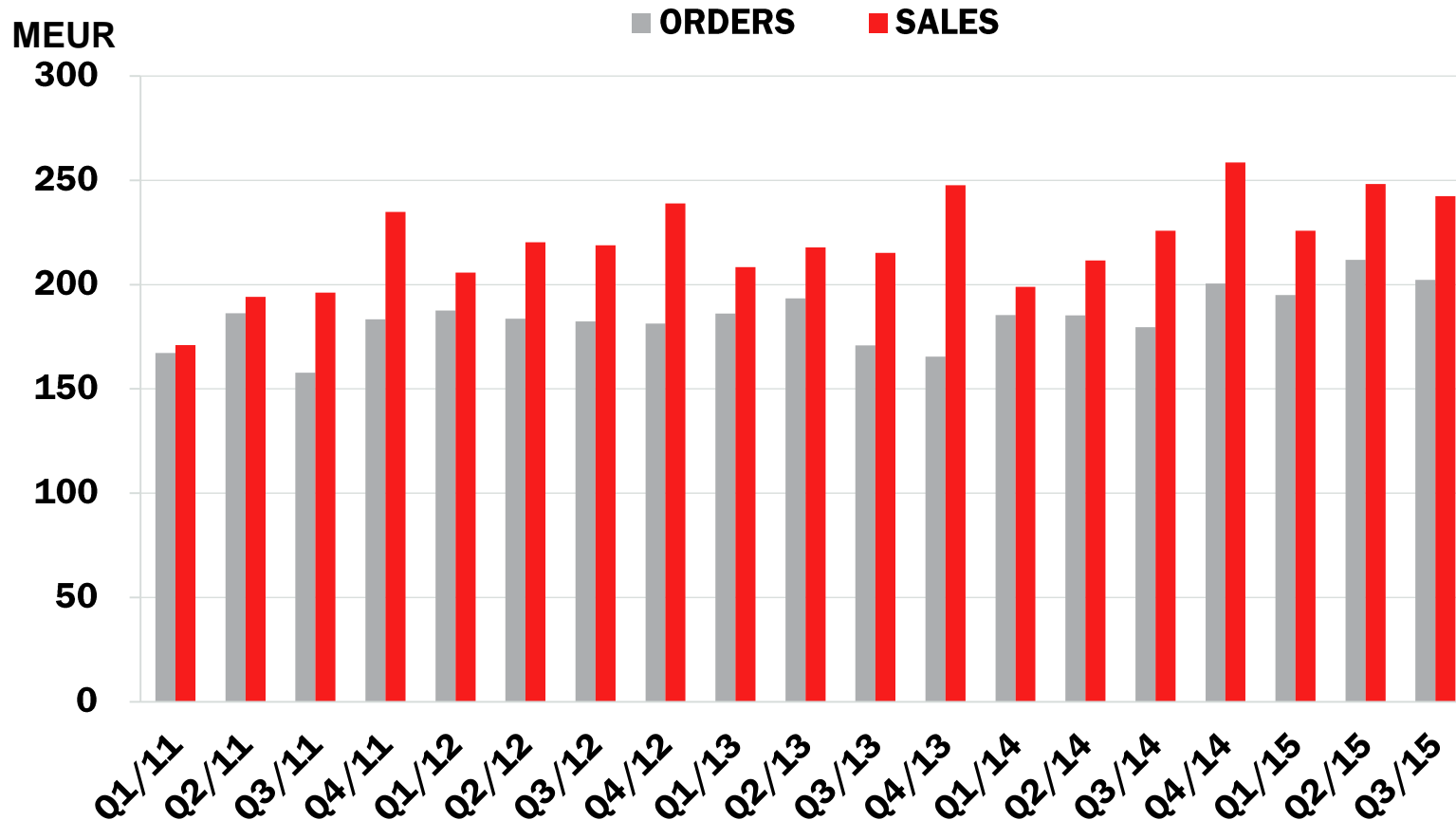
■ EMEA
■ AME
■ APAC



SERVICE

SERVICE ORDERS AND NET SALES

Q3 Orders: 202.3 (179.6) MEUR +12.7%* | Sales: 242.4 (225.9) MEUR +7.3%*

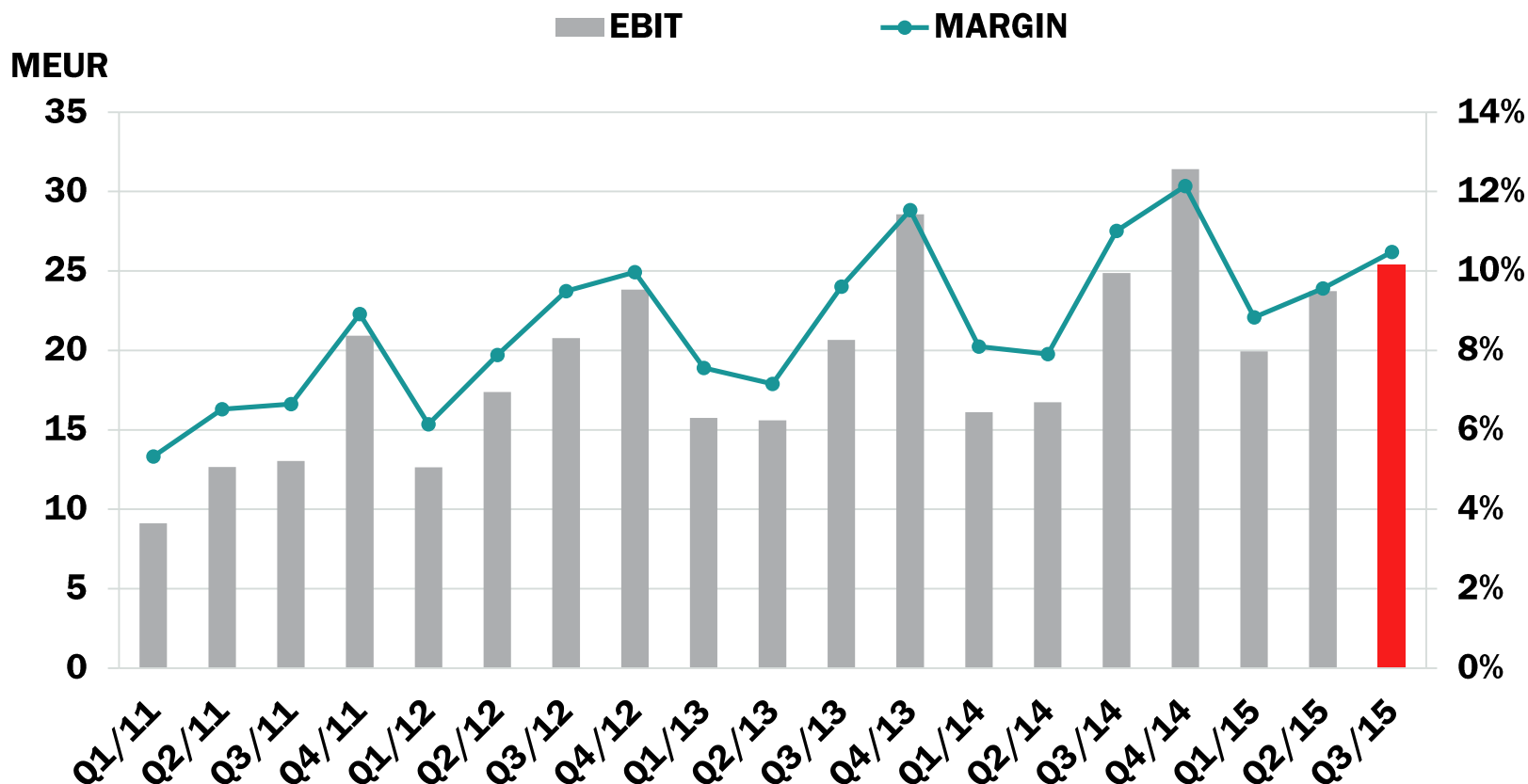


- Sales grew in the Americas and Asia-Pacific, where sales in EMEA were flat
- Parts sales continued to grow faster than field service sales

*+4.0% at comparable currencies, **-0.6% at comparable currencies

SERVICE EBIT & MARGIN

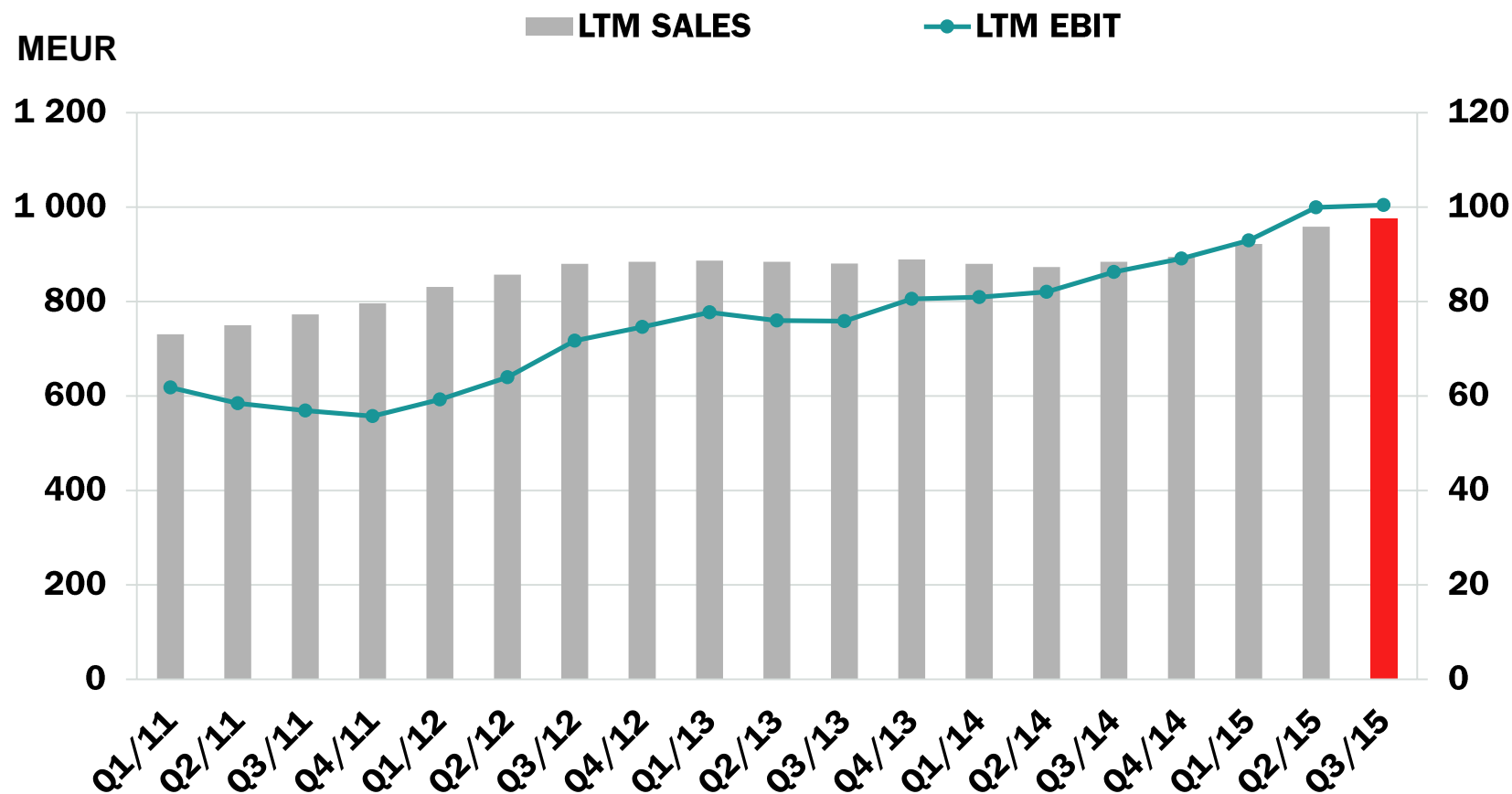
Q3 EBIT: 25.4 (24.9) MEUR, +2.1% | MARGIN: 10.5% (11.0%), excluding restructuring costs



- The operating margin fell due to lower sales at comparable currencies and higher fixed costs

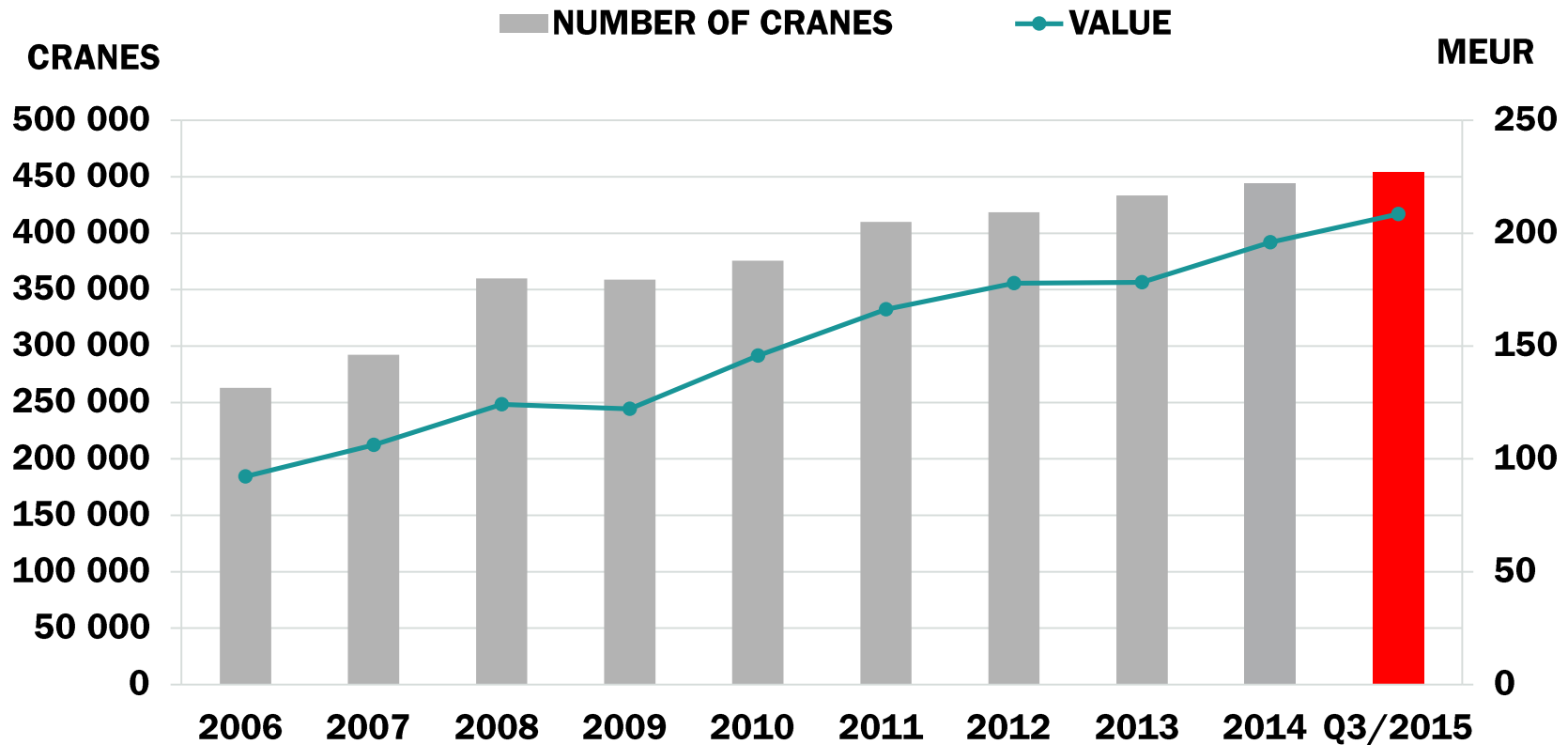
SERVICE NET SALES AND EBIT

**R12M Sales: 975.1 (884.1) MEUR, +10.3% | EBIT: 100.5 (86.3) MEUR, +16.4%,
excluding restructuring costs**



SERVICE CONTRACT BASE

Q3 CB: 454 (444) thousand units, +2.3% | Annual value 209 (193) MEUR, +8.2%*

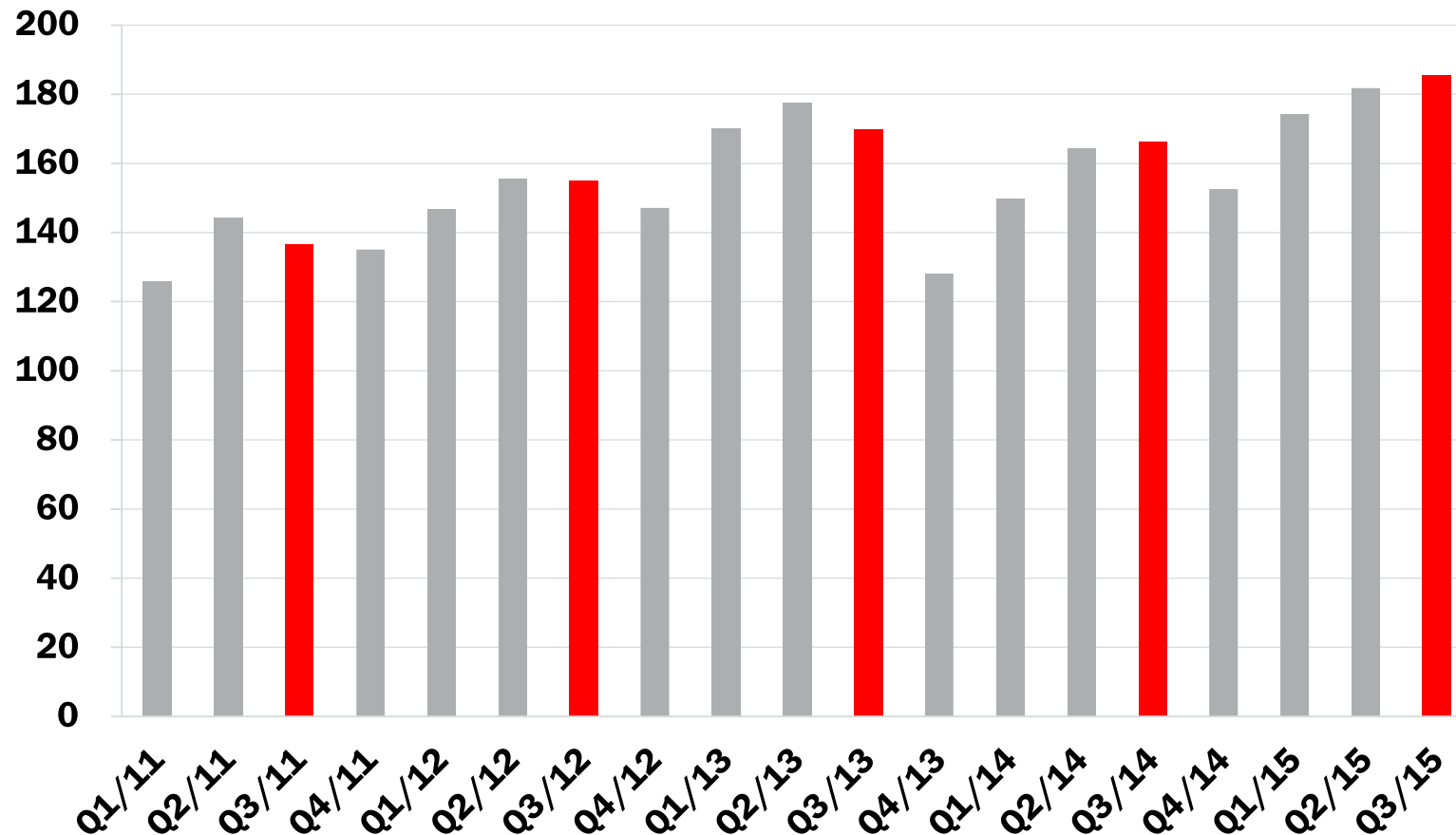


*+3.8% at comparable currencies

SERVICE ORDER BOOK

Q3 Order book: 185.4 (166.2) MEUR, +11.6%*

MEUR



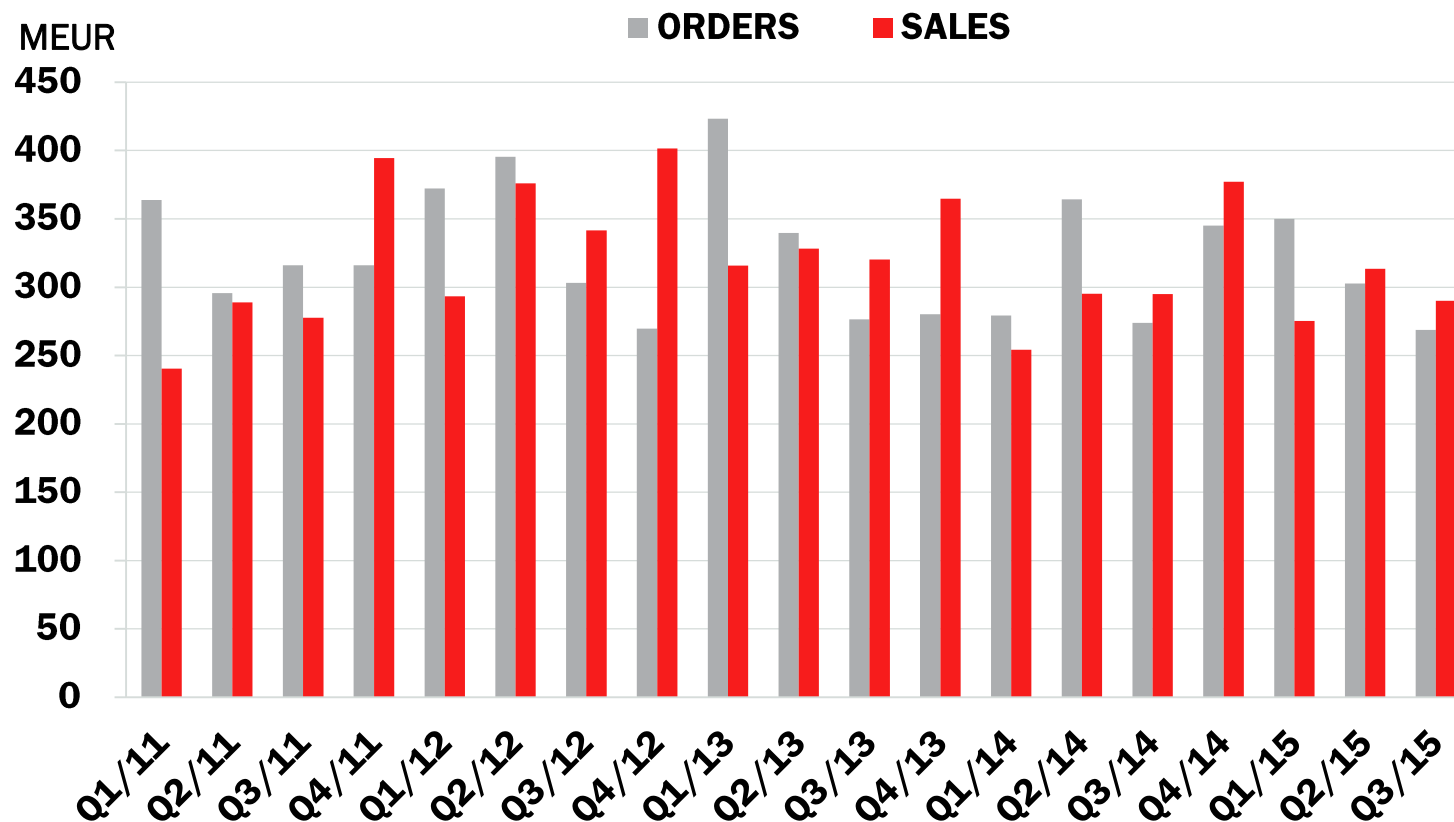
*+5.9% at comparable currencies



EQUIPMENT

EQUIPMENT ORDERS AND NET SALES

Q3 Orders: 268.7 (274.0) MEUR, -1.9%* | Net sales: 290.1 (295.1) MEUR, -1.7%**

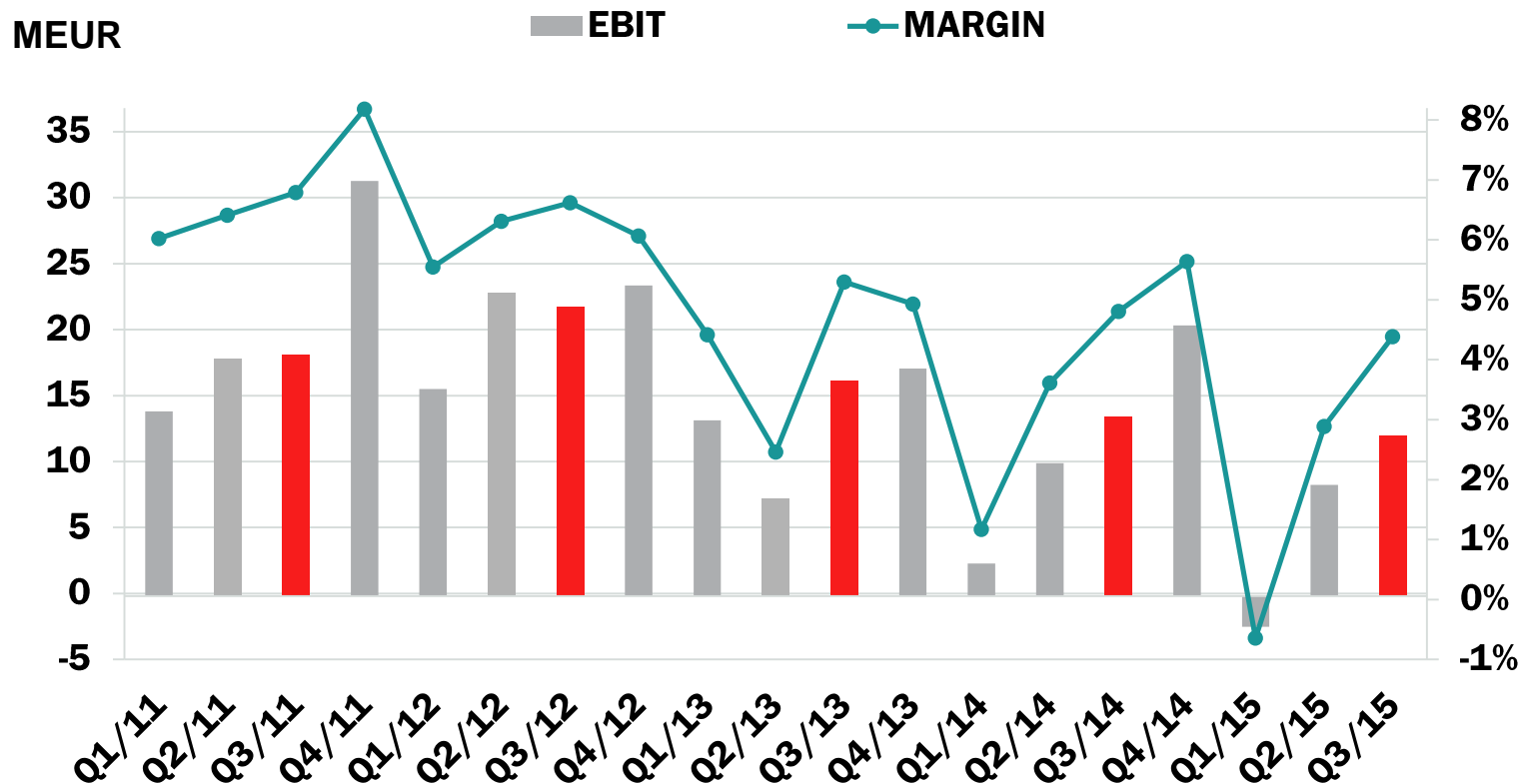


- Orders received rose in EMEA and Asia-Pacific, but fell in the Americas
- Orders for port cranes rose whereas orders for industrial cranes, crane components and lift trucks fell from the previous year

*-7.4% at comparable currencies, **-5.5% at comparable currencies

EQUIPMENT EBIT & MARGIN

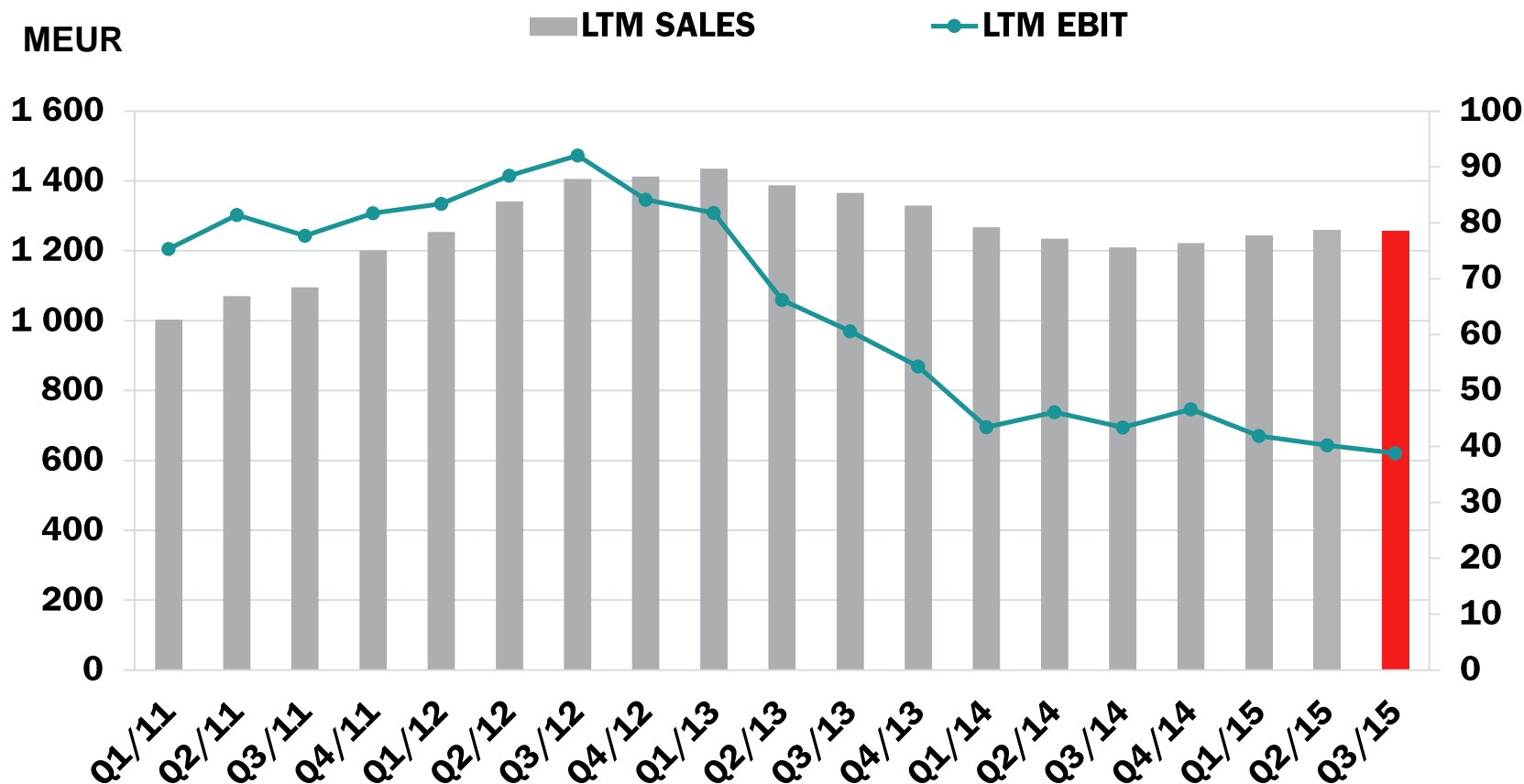
Q3 EBIT: 12.1 (13.6) MEUR, -10.6% | MARGIN: 4.2% (4.6%), excluding restructuring costs



- Operating margin was affected by lower sales at comparable currency rates
- Amortization related to new IT systems increased from the previous year

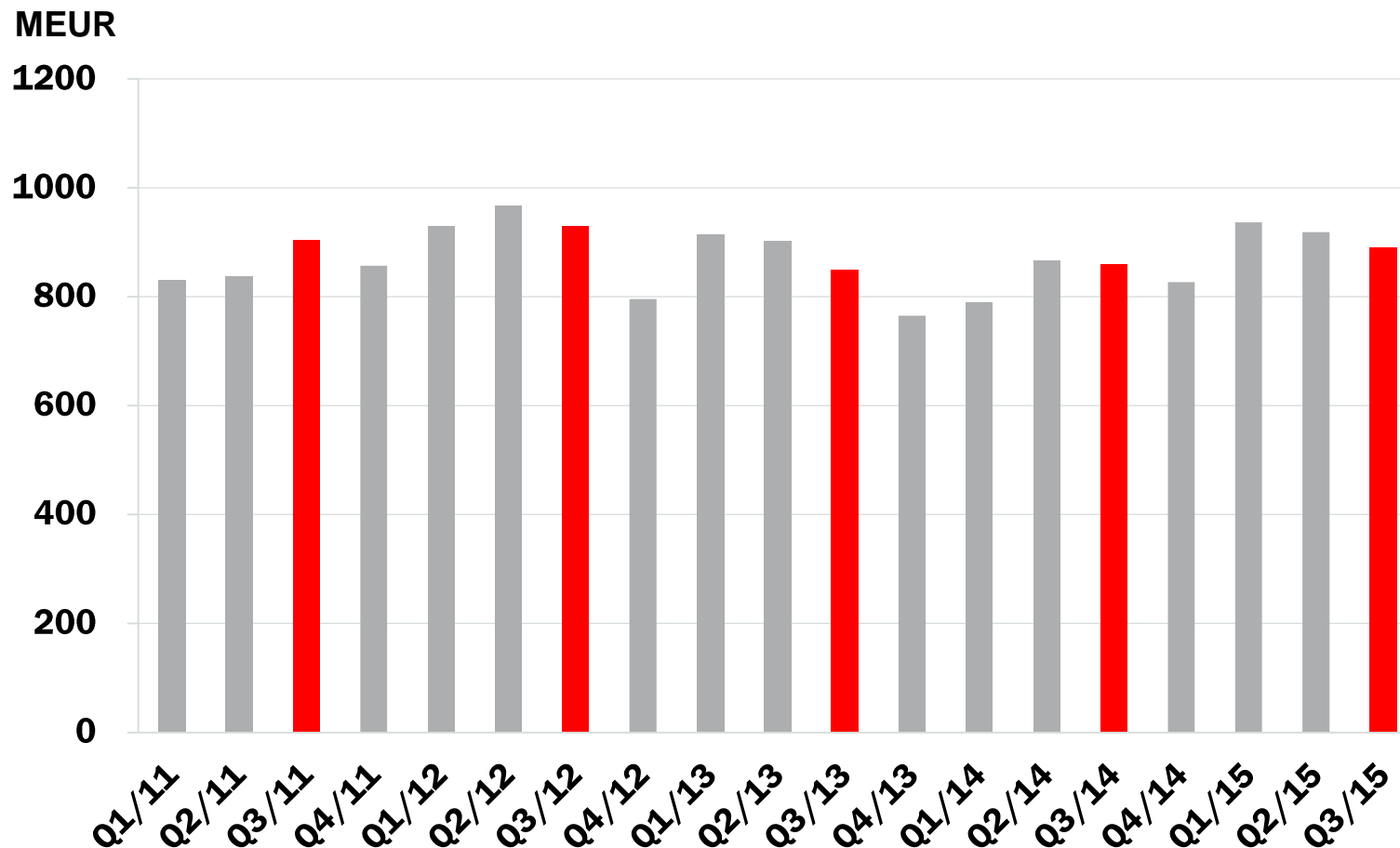
EQUIPMENT NET SALES AND EBIT

**R12M Sales: 1,256.2 (1,209.4) MEUR, +3.9% | EBIT: 38.8 (43.4) MEUR, -10.6%,
excluding restructuring costs**



EQUIPMENT ORDER BOOK

Q3 Order book: 889.9 (860.0) MEUR +3.5%*



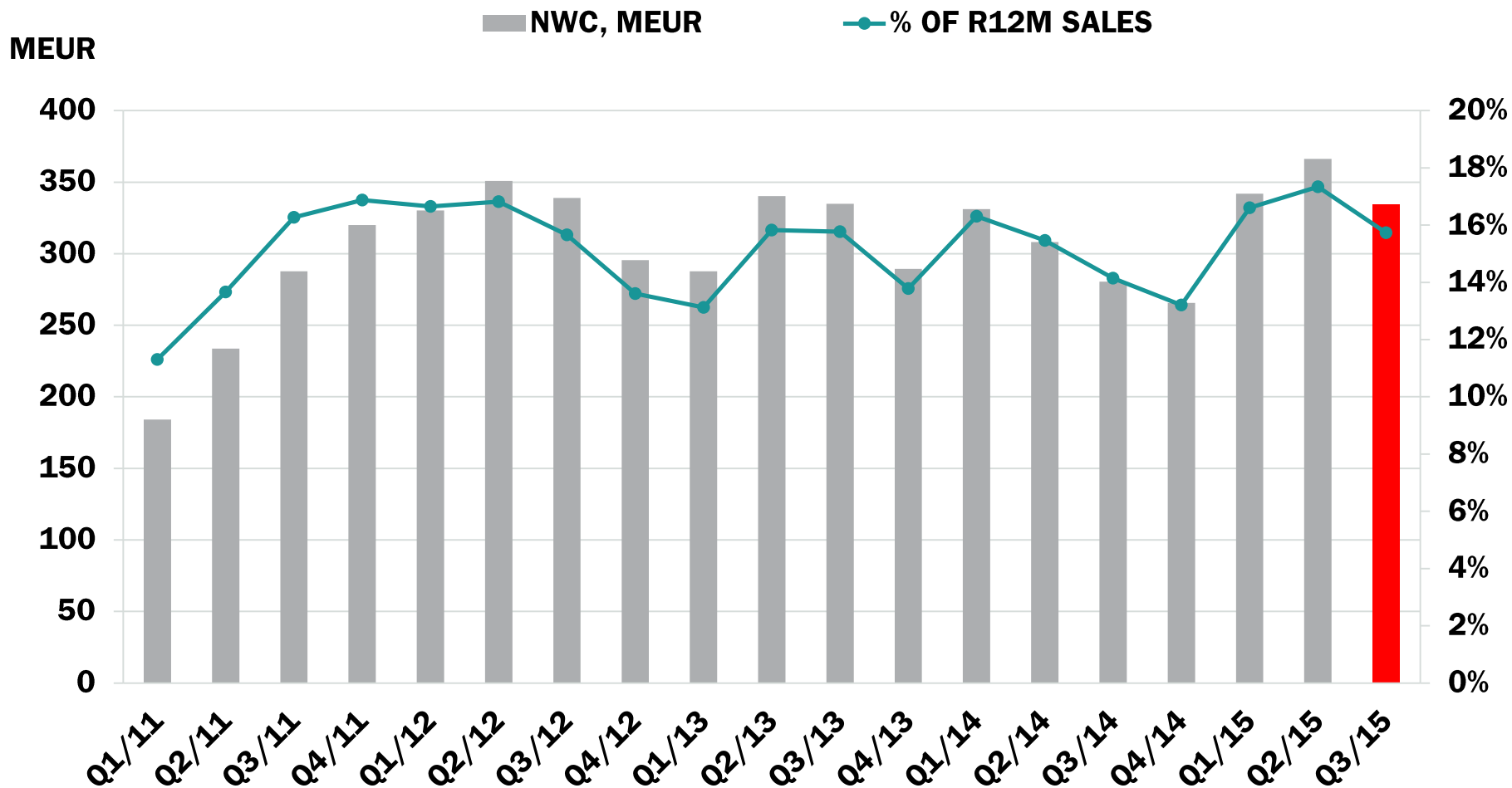
*+1.6% at comparable currencies



BALANCE SHEET AND CASH FLOW

NET WORKING CAPITAL

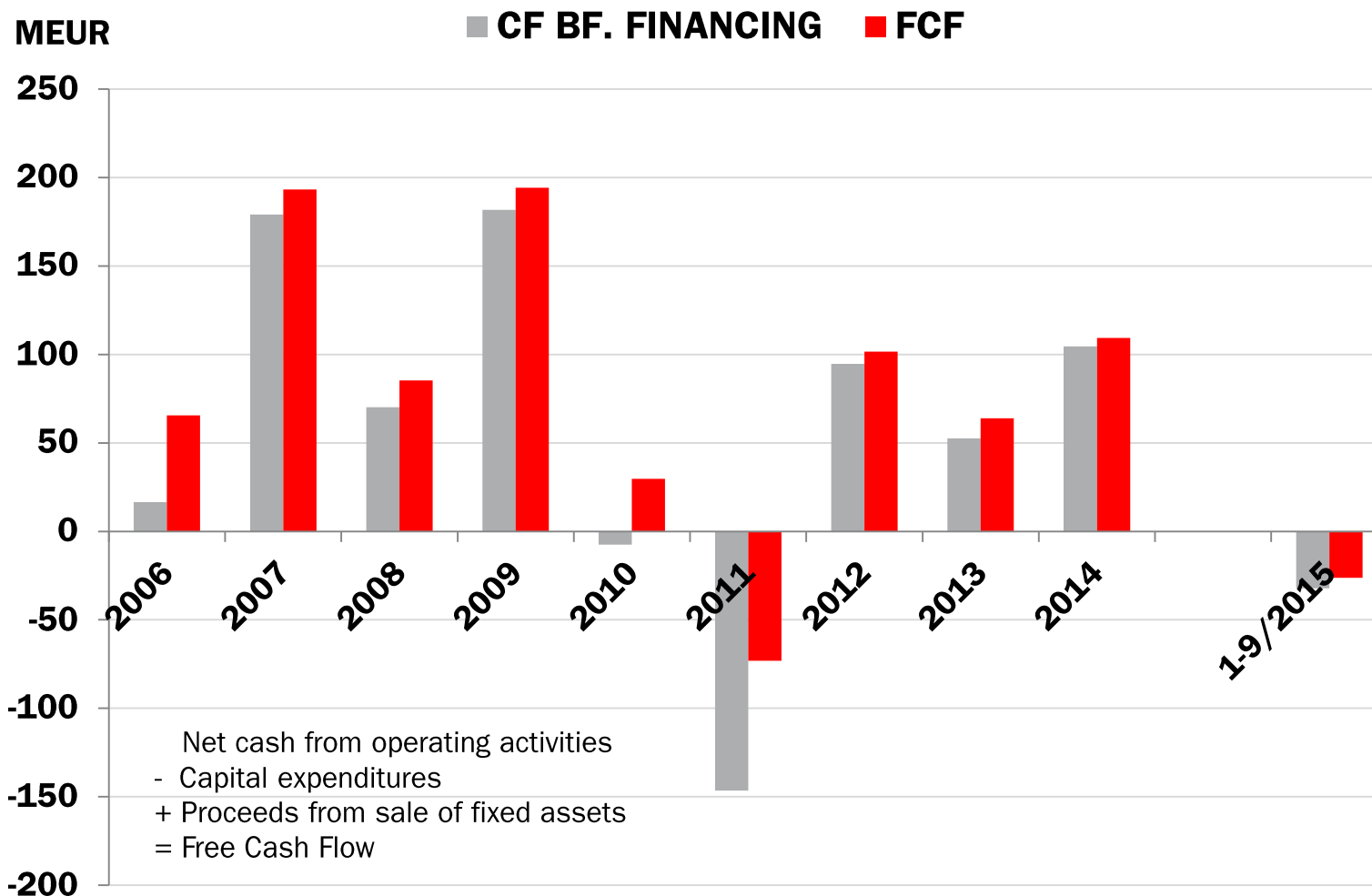
Q3 NWC: 334.4 (280.6) MEUR | 15.7% (14.1%) of R12M sales



Q1/15 excl. dividend liability of EUR 61, 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

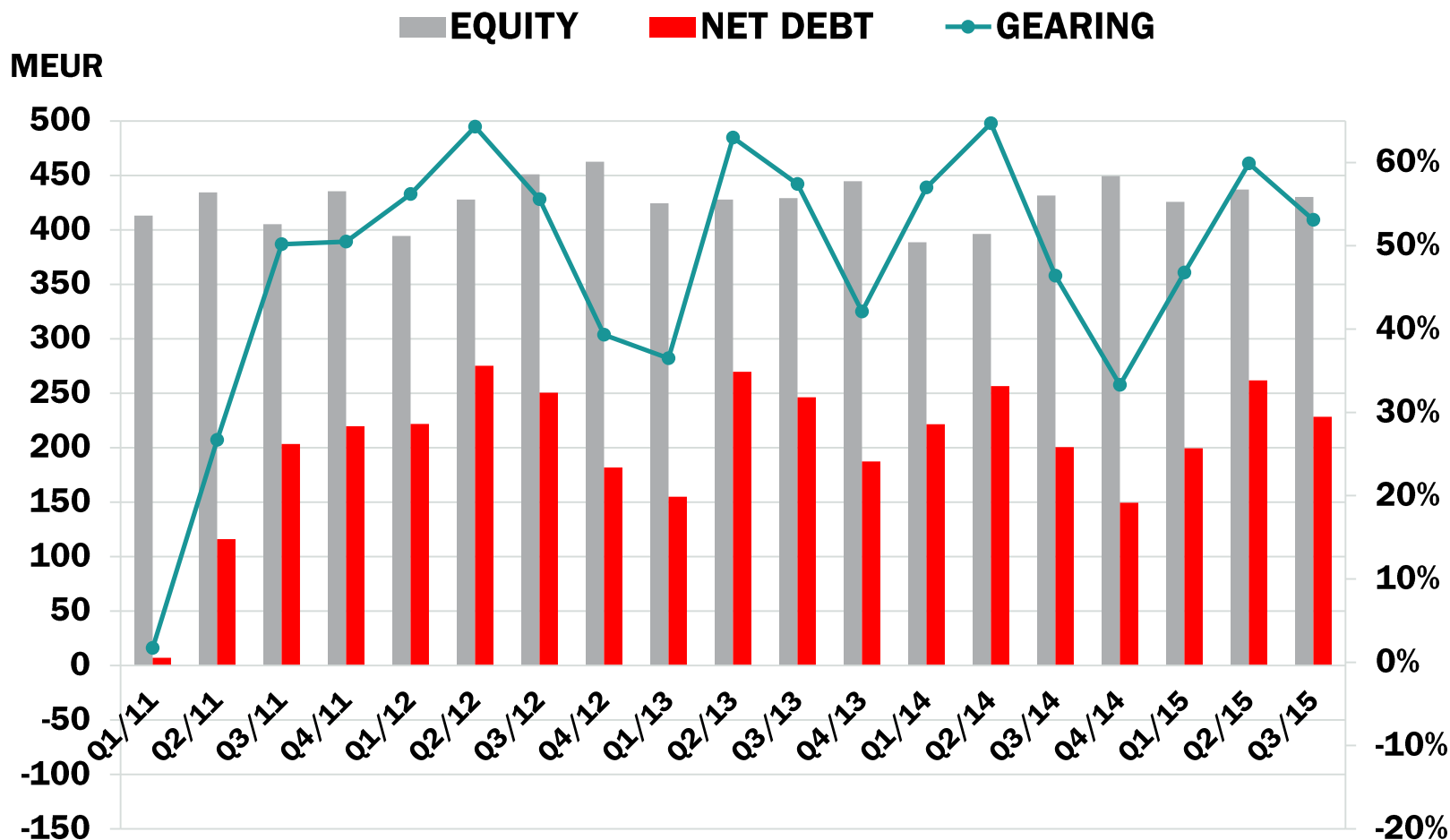
CF BEFORE FINANCING ACTIVITIES AND FCF

9M CF BF. FINANCING: -32.1 (48.3) MEUR | FCF: -26.2 (53.4) MEUR



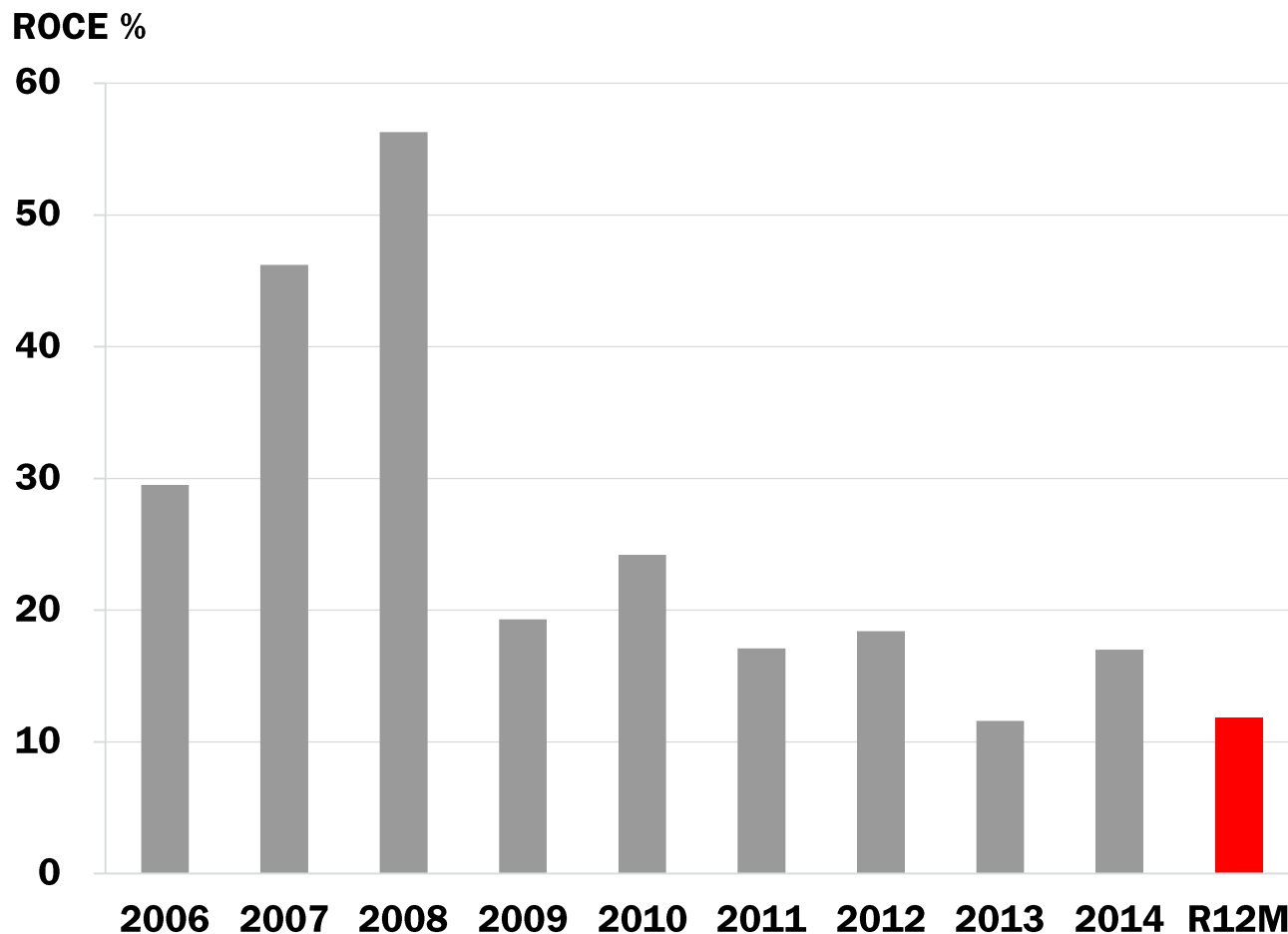
GEARING

Q3 Equity: 430.3 (431.6) MEUR | Net debt: 228.5 (200.4) MEUR | Gearing: 53.1% (46.4%)



RETURN ON CAPITAL EMPLOYED

R12M ROCE: 11.8%* (15.6%)**



*17.5% excluding restructuring costs, transaction costs relating to the Terex merger, and unwarranted payments due to identity theft and fraudulent actions.

**16.3% excluding restructuring costs

A close-up photograph of a male worker wearing a white hard hat with a red 'C' logo and clear safety glasses. He is looking intently at an electrical control panel. The panel features various components, including red and white cables, digital displays, and control buttons. A red rectangular box is overlaid on the upper right portion of the image, containing the word 'APPENDIXES' in white capital letters.

APPENDIXES

STATEMENT OF INCOME

MEUR	9M 2015	9M 2014	% Change
Sales	1,517.2	1,403.2	8.1
Other operating income	0.6	2.2	
Depreciation and impairments	-42.2	-31.5	
Other operating expenses	-1,443.4	-1,303.6	
Operating profit	32.2	70.4	-30.1
Share of associates' and joint ventures' result	3.6	2.8	
Financial income and expenses	-9.0	-7.3	
Profit before taxes	26.8	65.9	-44.2
Taxes	-8.6	-20.7	
Net profit for the period	18.2	45.1	-44.6

BALANCE SHEET

MEUR	September 30, 2015	September 30, 2014	MEUR	September 30, 2015	June 30, 2014
Non-current assets	503.1	495.6	Equity	430.3	431.6
Inventories	398.9	375.2	Non-current liabilities	280.3	266.1
Other current assets	527.6	513.9	Provisions	48.1	45.8
Cash and cash equivalents	65.4	102.2	Current liabilities	736.4	743.6
Total assets	1,495.0	1,487.0	Total equity and liabilities	1,495.0	1,487.0

CASH FLOW STATEMENT

MEUR	9M/2015	9M/2014
Operating income before change in net working capital	75.4	100.4
Change in net working capital	-36.0	9.5
Financing items and taxes	-40.9	-27.9
Net cash from operating activities	-1.6	82.0
Cash flow from investing activities	-30.5	-33.7
Cash flow before financing activities	-32.1	48.3
Proceeds from options exercised and share issues	14.3	1.1
Change in interest-bearing debt	46.4	-22.1
Dividends paid to equity holders of the parent	-61.5	-60.8
Net cash used in financing activities	-0.7	-81.8
Translation differences in cash	0.3	3.4
Change of cash and cash equivalents	-32.5	-30.0
Cash and cash equivalents at beginning of period	97.9	132.2
Cash and cash equivalents at end of period	65.4	102.2
Change of cash and cash equivalents	-32.5	-30.0

KEY FIGURES

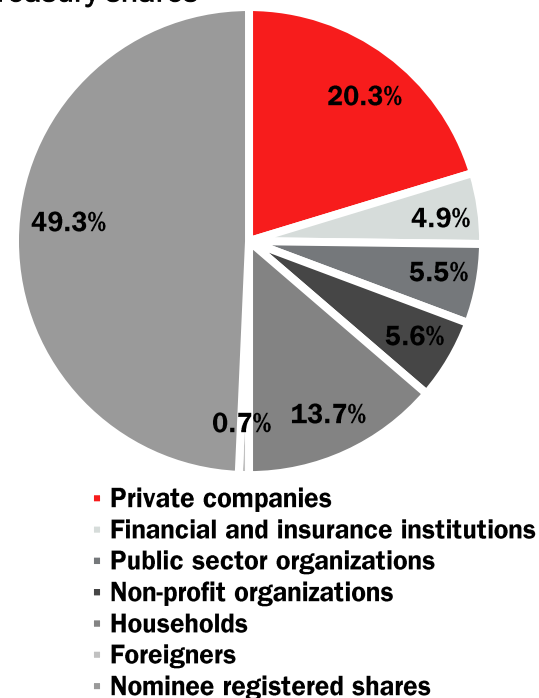
MEUR	30.9.2015	30.9.2014	% Change
Earnings per share, basic, EUR	0.31	0.78	-44.9
Earnings per share, diluted, EUR	0.31	0.77	-44.8
Return on capital employed %, R12M	11.8	15.6	-10.3
Return on equity %, R12M	11.1	15.6	-19.9
Equity per share, EUR	7.32	7.45	-0.1
Current ratio	1.3	1.3	
Gearing (%)	53.1	46.4	
Solidity (%)	33.5	34.1	
EBITDA, MEUR	74.4	101.9	-10.3
Investments total (excl. acquisitions), MEUR	25.8	34.2	-24.6
Interest-bearing net debt, MEUR	228.5	200.4	14.0
Net working capital, MEUR	334.4	280.6	21.6
Personnel at end of period	11,997	11,980	
Personnel on average during the period	11,946	11,905	
Average number of shares outstanding, basic	58,475,416	57,898,703	1.0
Average number of shares outstanding, diluted	58,500,195	58,035,993	0.8
Number of shares outstanding	58,732,429	57,937,721	1.4

THE LARGEST SHAREHOLDERS

Largest shareholders on September 30, 2015	Number of shares	% of all shares
1 HTT KCR Holding Oy Ab	6,870,568	10.9
2 Gustavson Stig, Chairman of the Board of Konecranes and family *)	2,078,013	3.3
3 Varma Mutual Pension Insurance Company	1,190,275	1.9
4 The State Pension Fund	746,483	1.2
5 Danske Capital Funds	649,019	1.0
6 The Local Government Pensions Institution	598,542	1.0
7 Folkhälsan Samfundet i Svenska Finland	535,600	0.9
8 Nordea Funds (Finland)	521,763	0.8
9 Ilmarinen Mutual Pension Insurance Company	501,603	0.8
10 Sigrid Jusélius Foundation	446,500	0.7
Konecranes Plc's treasury shares	4,539,913	7.2
Nominee registered shares	31,157,806	49.2
Other shareholders	13,436,257	21.2
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 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 1,313.3 million excluding treasury shares



Trading information

- Listing: Nasdaq Helsinki
- Date of listing: March 27, 1996
- Segment: Large Cap
- Sector: Industrials
- Trading code: KCR1V
- 1-9/15 average daily trading volume 244,038 shares, EUR 7.03 million

CONTACT INFORMATION

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