

2014 FINANCIAL RESULTS

February 4, 2015

Pekka Lundmark, President and CEO

Teo Ottola, CFO



HIGHLIGHTS OF Q4/14

- + Order intake growth was strong in both business areas
- + Profitability improved in both business areas, Service EBIT margin 12.1%
- + Cash flow remained strong thanks to NWC release
- Trading conditions remained soft in emerging markets

Q4 ORDERS RECEIVED Y/Y	EMEA	AME	APAC
SERVICE			
EQUIPMENT			

Board of Directors proposes a dividend of EUR 1.05 per share

FY2014 RESULT – POSITIVES AND NEGATIVES

- Order book +9.6% and Service contract base +10.0%
 - Continued strength in North America
- EBIT +3.1% despite net sales -4.2%
 - Service EBIT margin from 9.1% to 10.0%
- FCF / Net income 147%

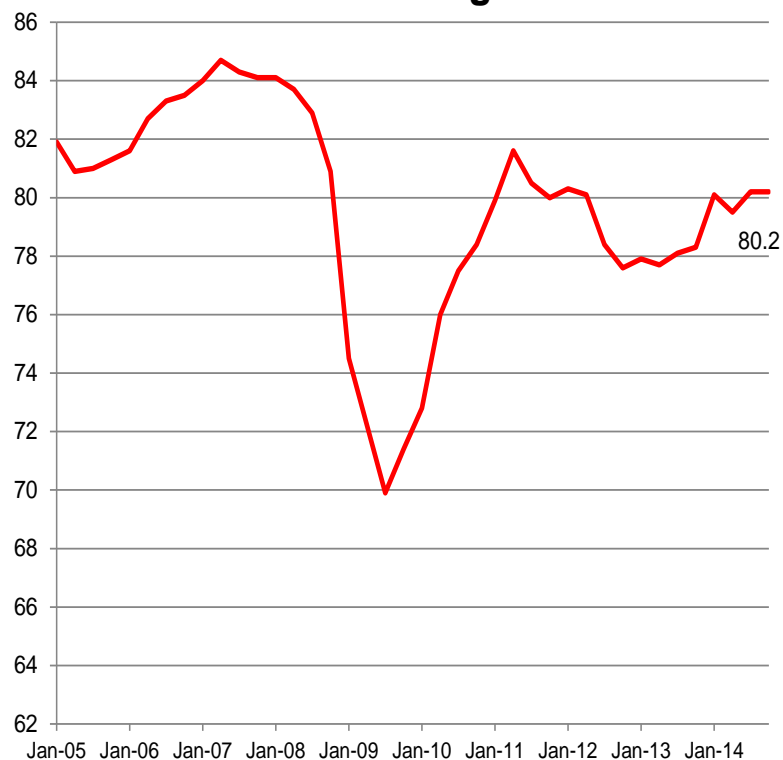


- Second year without sales growth
- Underabsorption of fixed costs in Equipment despite cost savings
- Market conditions continued soft in emerging markets

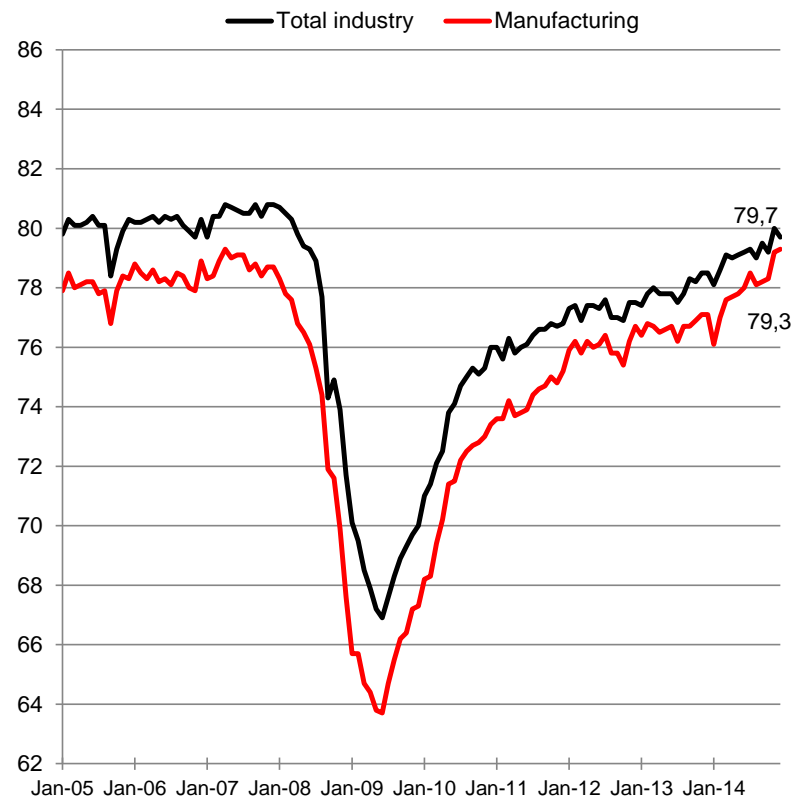


CAPACITY UTILIZATION: EU27 AND USA

Capacity utilisation of manufacturing in EU

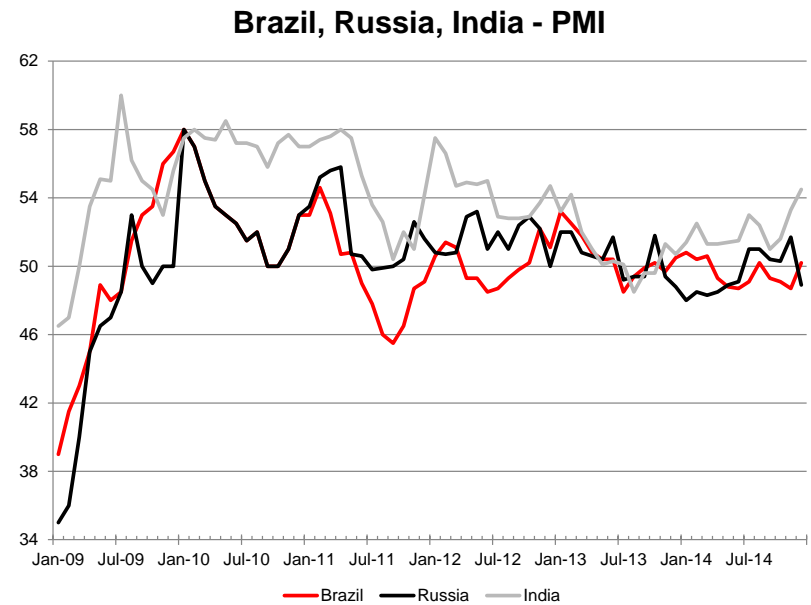
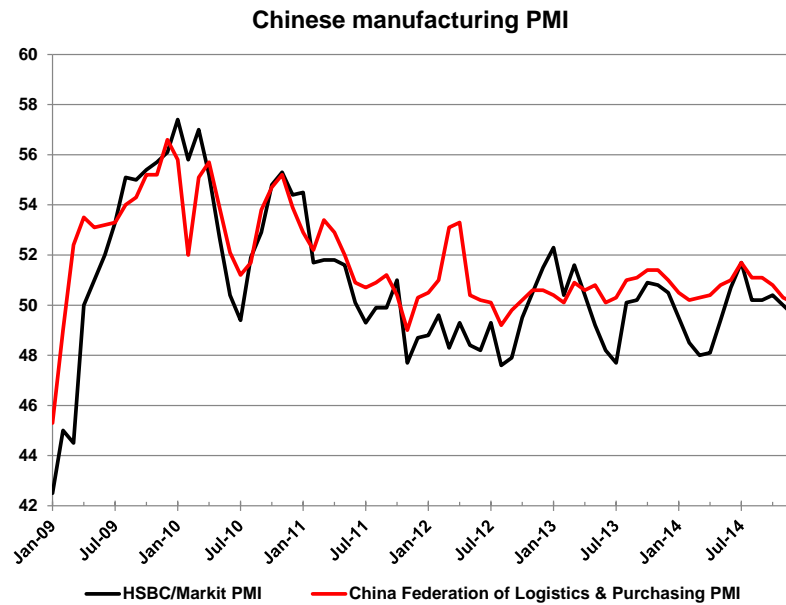


Capacity utilisation in the USA



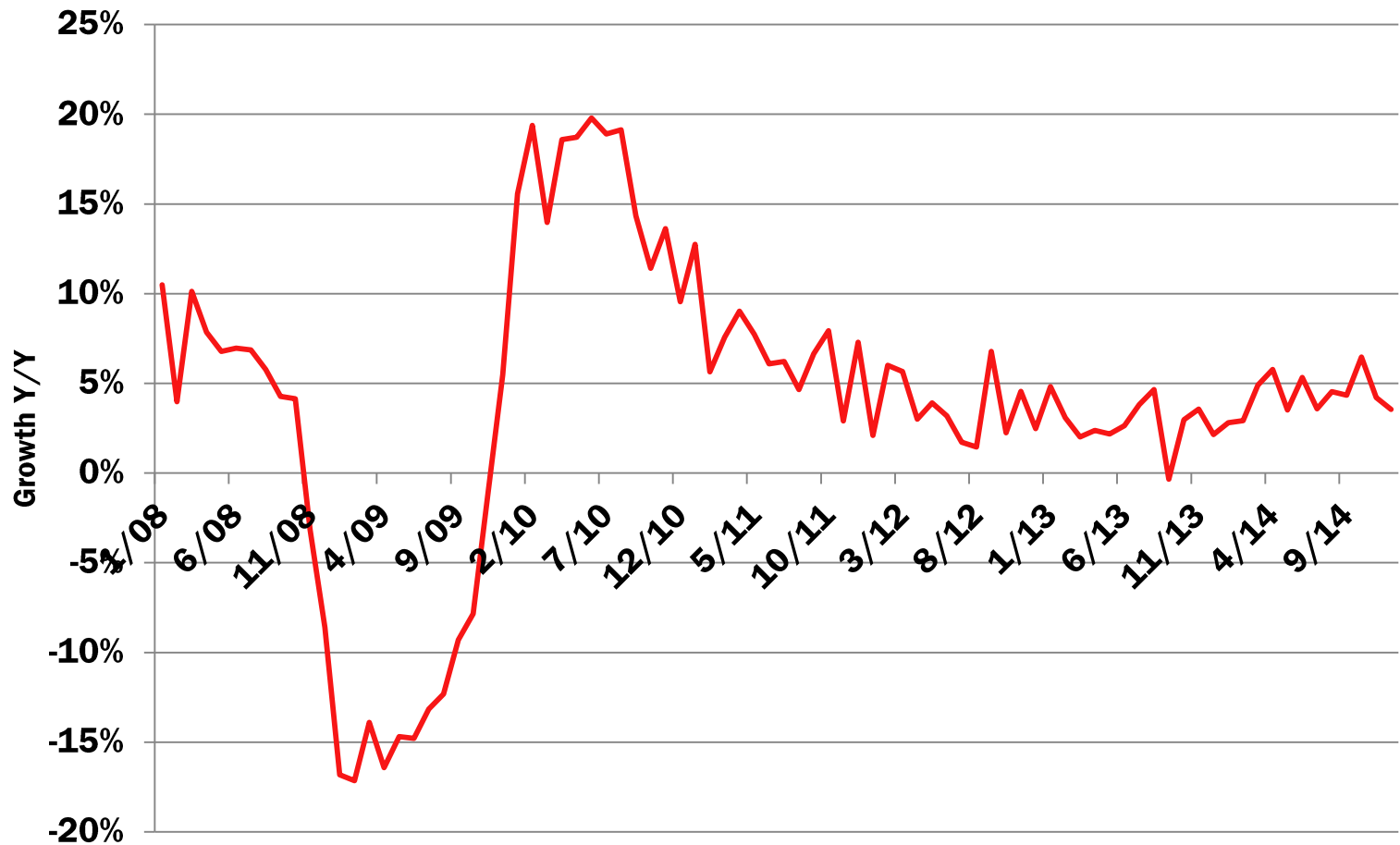
SOURCES: Eurostat (latest data point Q4/14), Federal Reserve Bank of St. Louis (December 2014)

PMI'S IN THE BRIC COUNTRIES



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

CONTAINER THROUGHPUT



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

MARKET OUTLOOK AND FINANCIAL GUIDANCE AS OF FEBRUARY 4, 2015

Market outlook

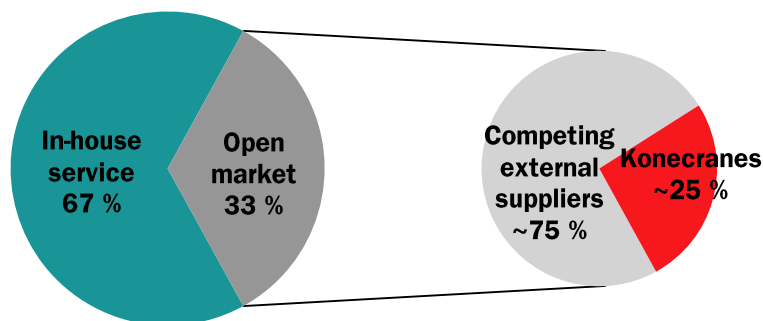
- European customers are still cautious about investing.
- The Purchasing Managers' Indexes are giving a reason for the continued optimism regarding the U.S. market.
- The near-term market outlook in emerging markets remains uncertain.
- Continued contract base growth bodes well for the future of the service business.

Financial guidance

- Based on the order book, service contract base and the near-term demand outlook, the year 2015 sales are expected to be higher than in 2014.
- We expect the 2015 operating profit, excluding restructuring costs, to improve from 2014.

MARKET SHARE AND SIZE IN 2014

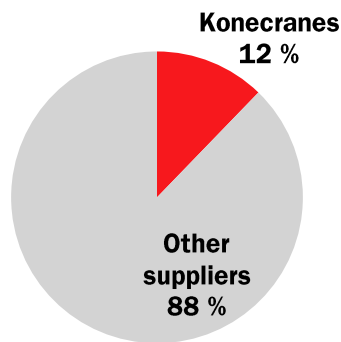
Service: Industrial and Port Cranes



Total market >10 BEUR

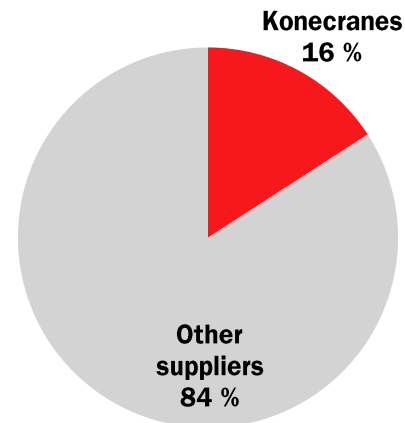
Open market >3 BEUR

Equipment: Industrial Cranes and Components, Container Handling Equipment



Market size ~10 BEUR

Total open market



Market size ~13 BEUR

Note that market share and size are based on Konecranes' estimates as no comprehensive statistics are available.

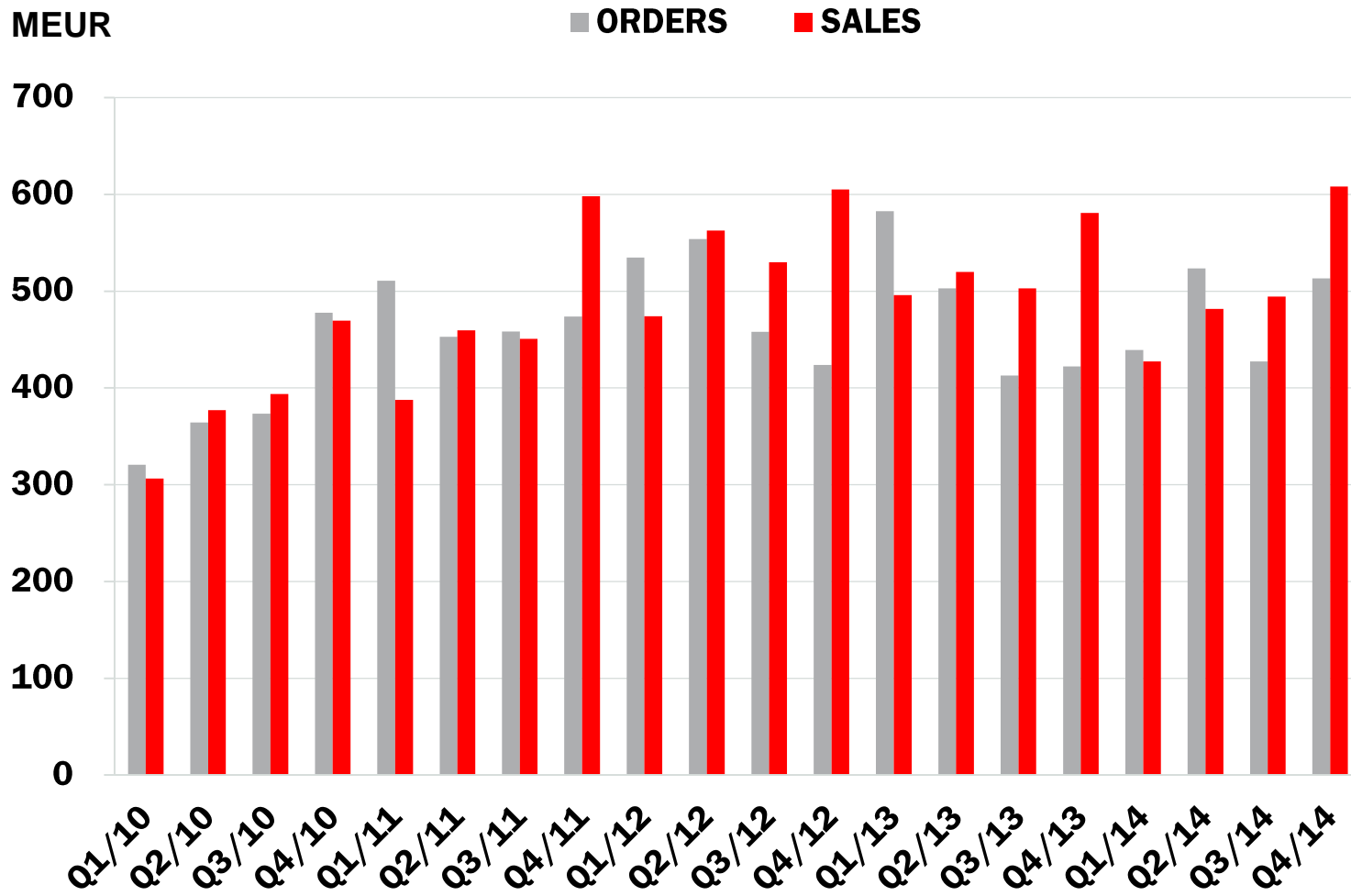


KONECRANES INTRODUCES UNITON OVERHEAD CRANE

- New overhead crane for heavy-duty industrial processes in general manufacturing, pulp & paper, power, steel and automotive industries
- Fourth new product launched under the Segment-based Offering strategy
- Offering started in the Americas late 2014

GROUP ORDERS AND NET SALES

Q4 Orders: 513.3 (422.2) MEUR, +21.6%* | Net sales: 608.1 (580.9) MEUR, +4.7%**

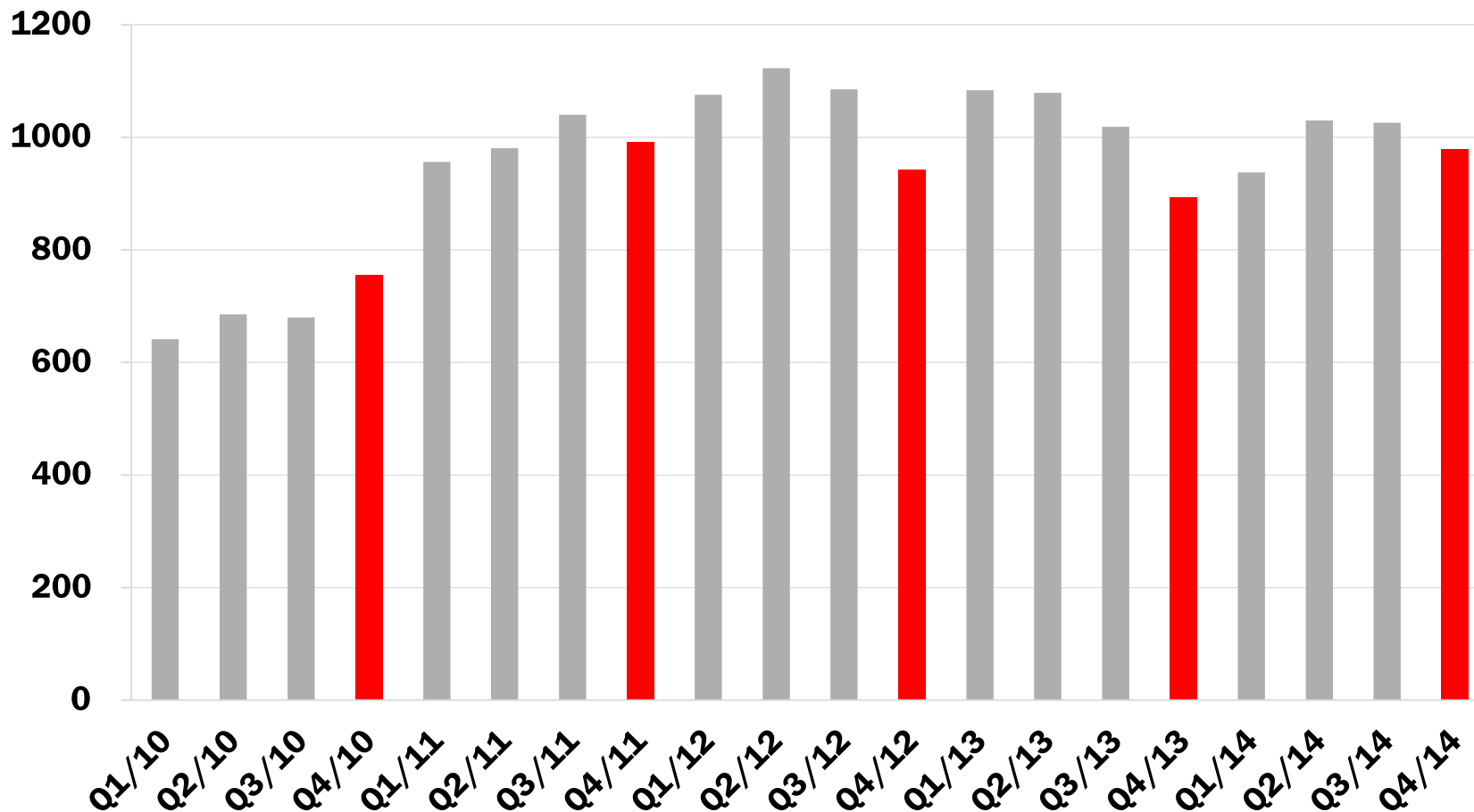


*+20.1% at comparable currencies, **2.7% at comparable currencies

GROUP ORDER BOOK

Q4 Order book: 979.5 (893.5) MEUR, +9.6%*

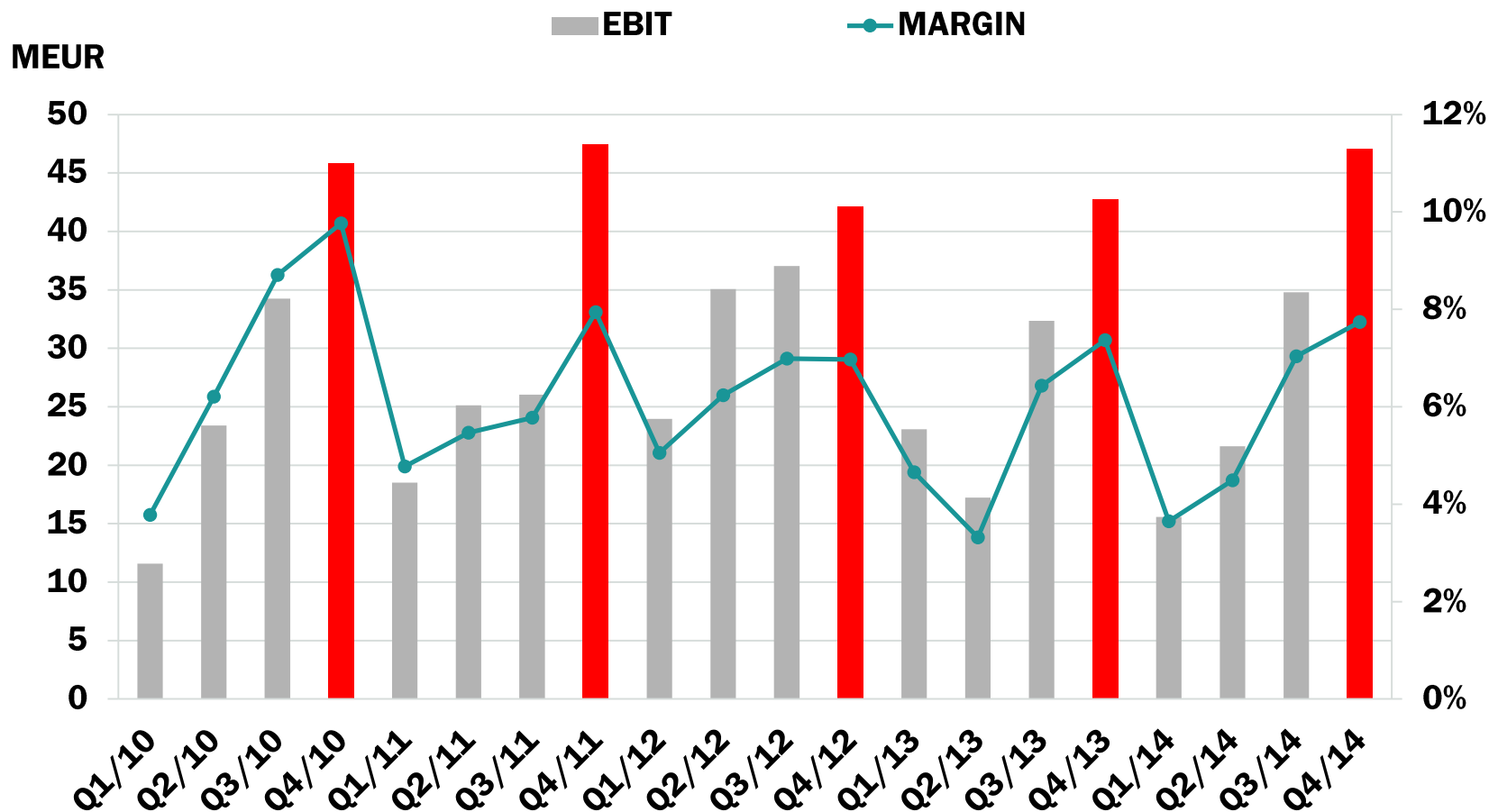
MEUR



*+6.0% at comparable currencies

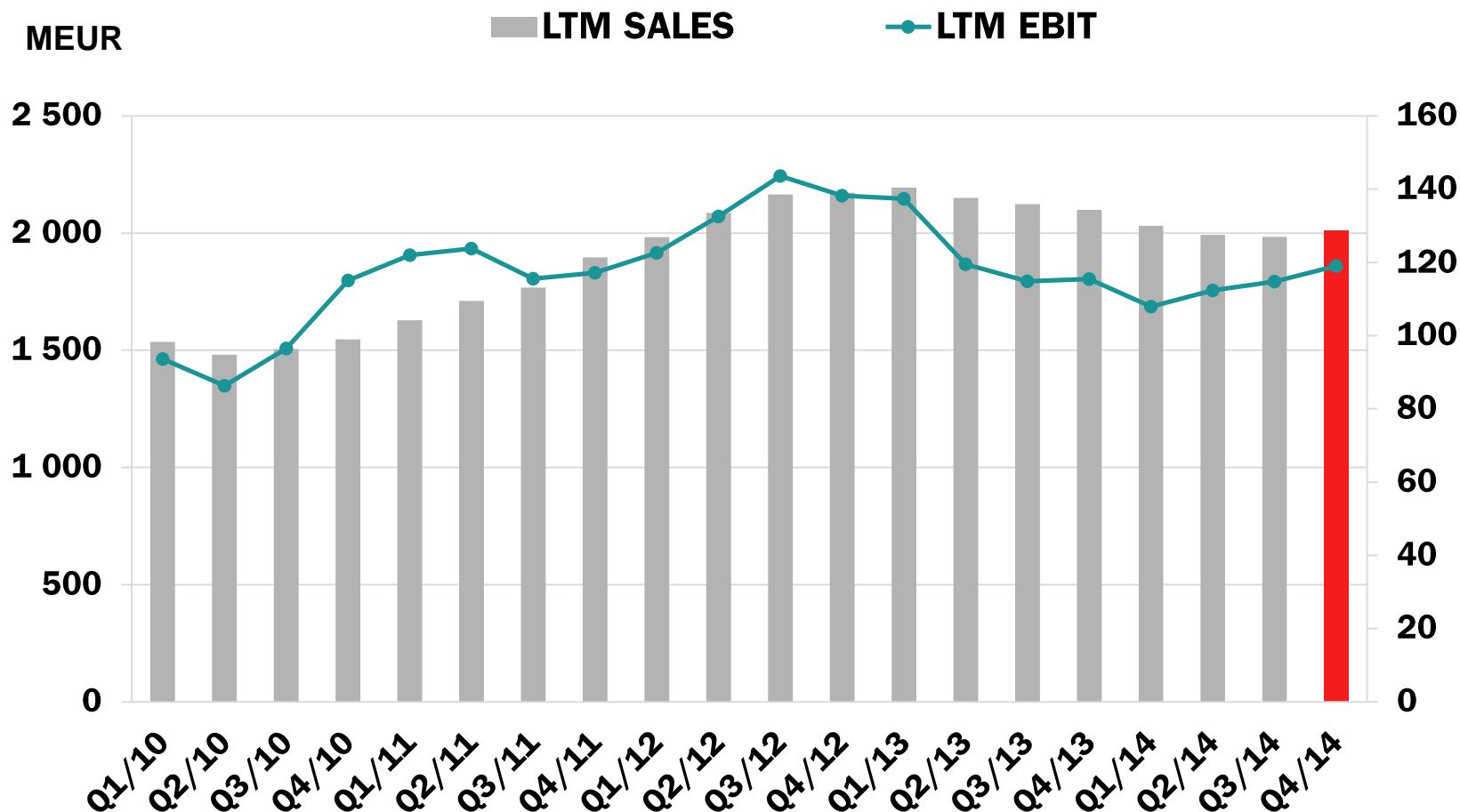
GROUP EBIT & MARGIN

Q4 EBIT: 47.1 (42.8) MEUR, +10.0% | MARGIN: 7.7% (7.4%), excluding restructuring costs



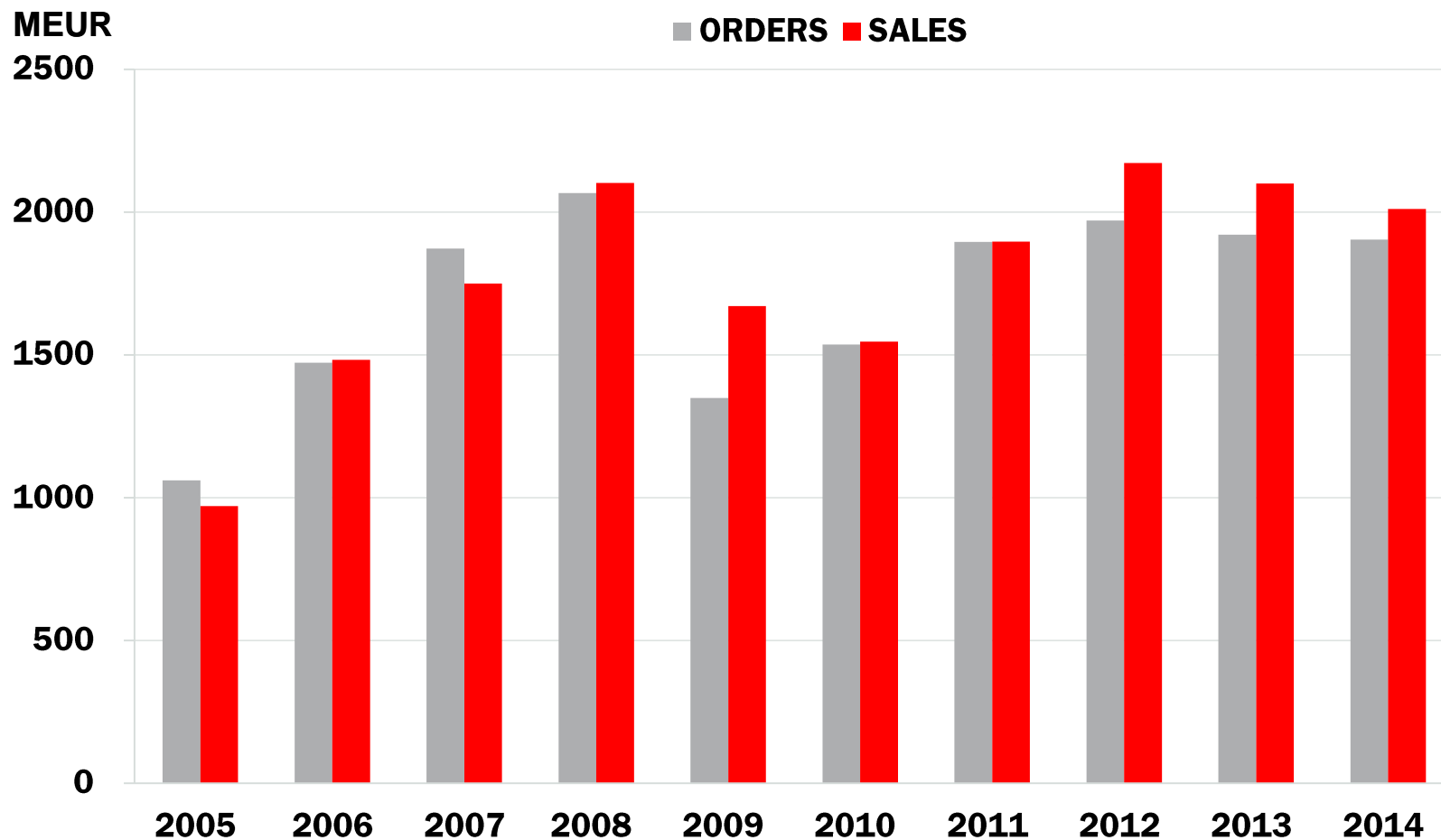
GROUP NET SALES AND EBIT

**R12M Sales: 2,011.4 (2,099.6) MEUR, -4.2% | EBIT: 119.1 (115.5) MEUR, +3.1%,
excluding restructuring costs**



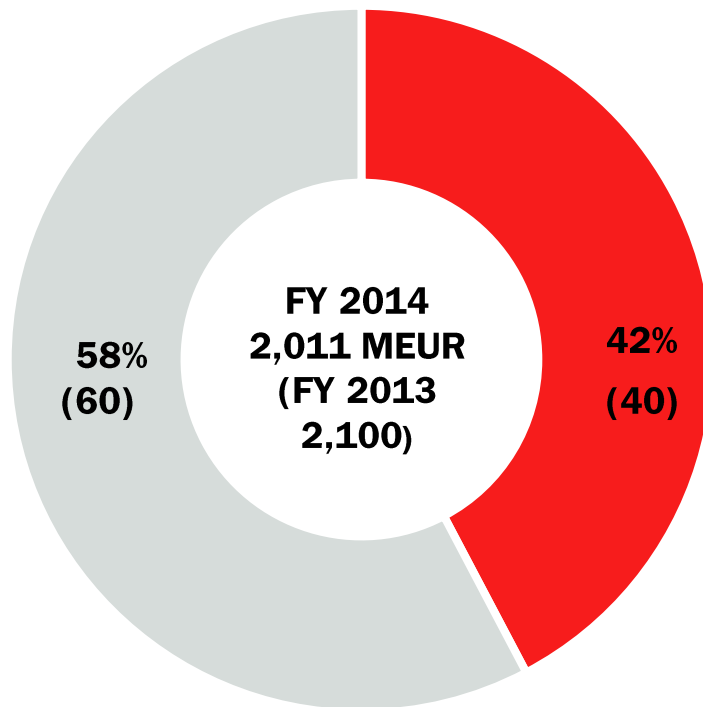
GROUP ORDERS AND NET SALES

2014 Orders: 1,903.5 (1,920.8) MEUR, -0.9%* | Net sales: 2,011.4 (2,099.6) MEUR, -4.2%**

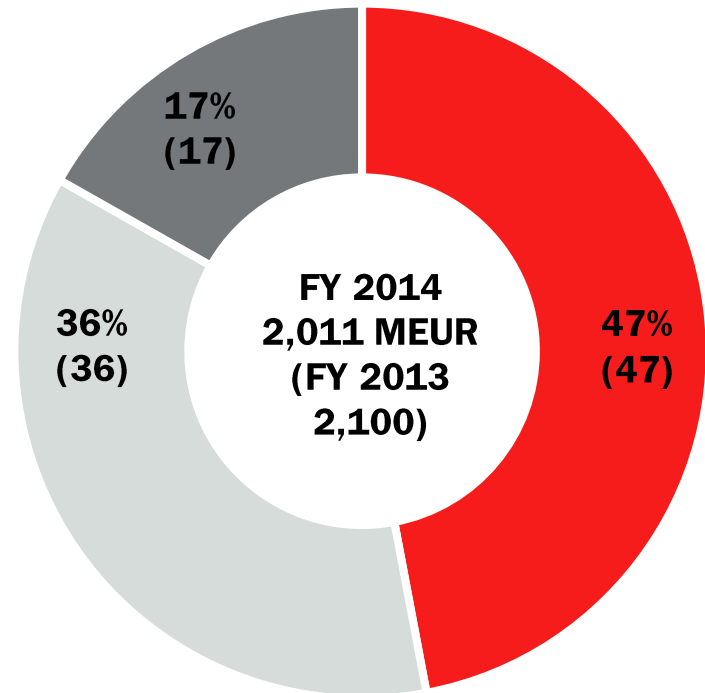


*+0.5% at comparable currencies, **-2.8% at comparable currencies

SALES SPLIT BY BUSINESS AREA & REGION



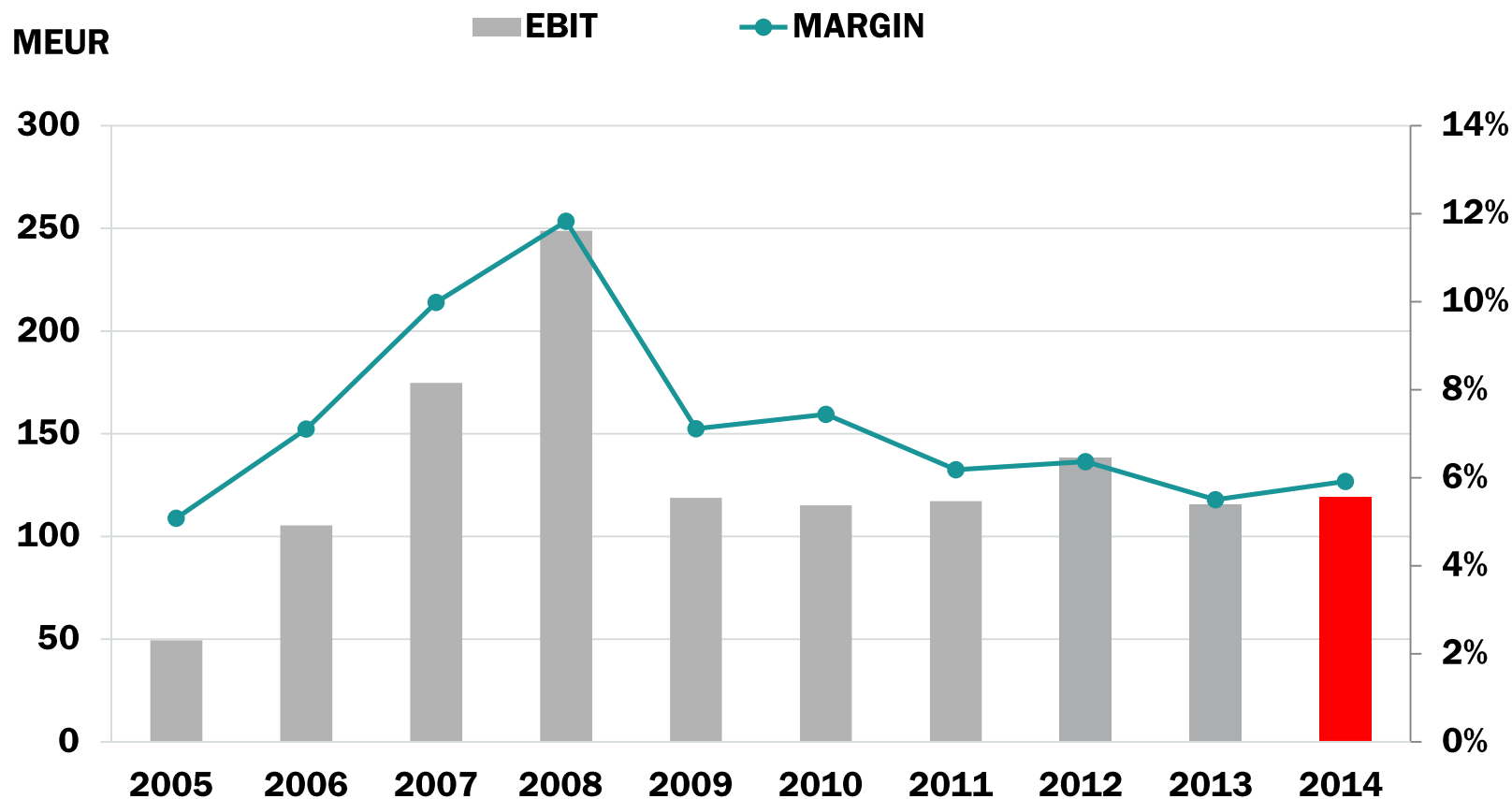
■ SERVICE ■ EQUIPMENT



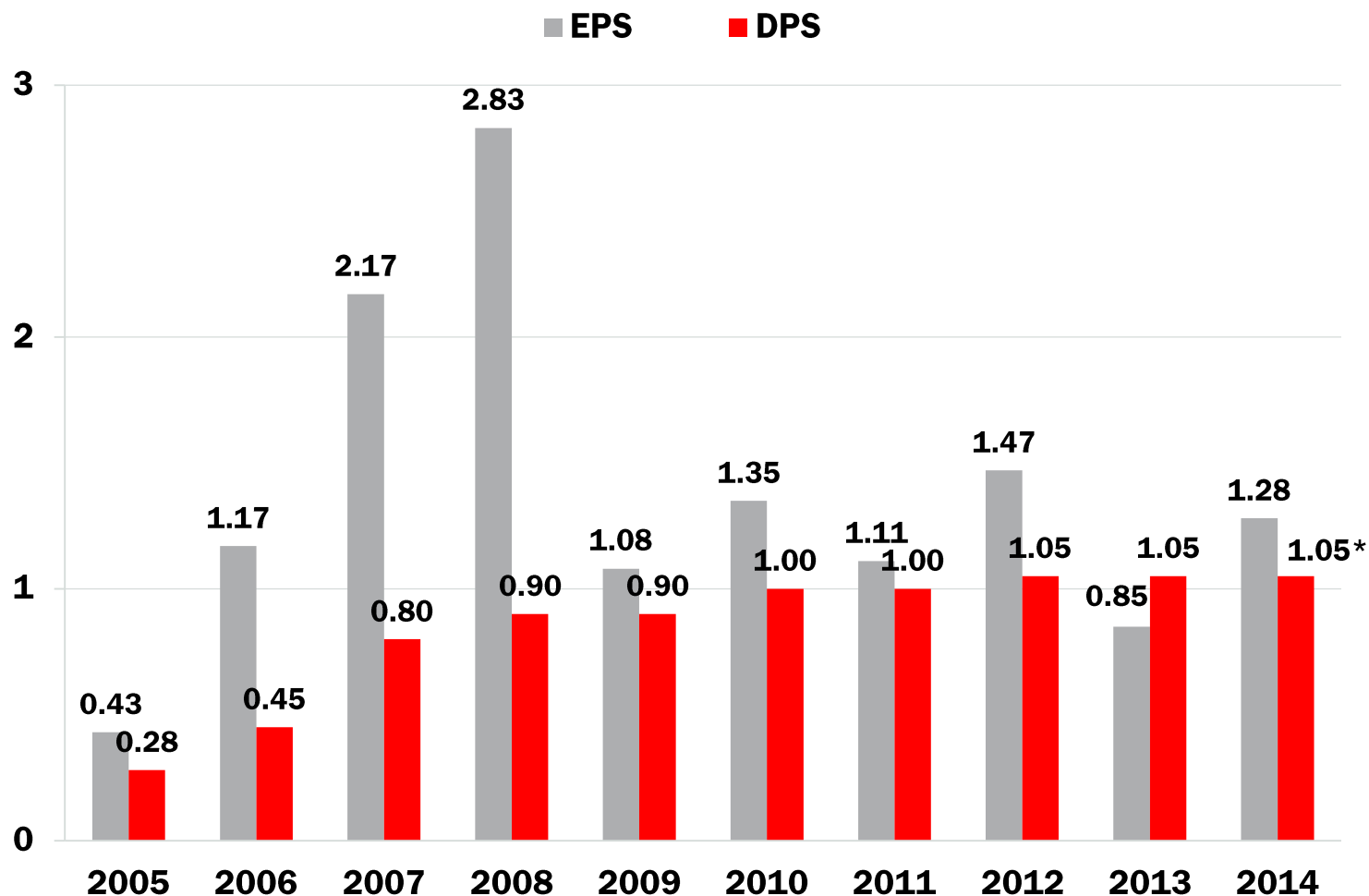
■ EMEA ■ AME ■ APAC

GROUP EBIT & MARGIN

2014 EBIT: 119.1 (115.5) MEUR, +3.1% | MARGIN: 5.9% (5.5%), excluding restructuring costs



EPS AND DPS



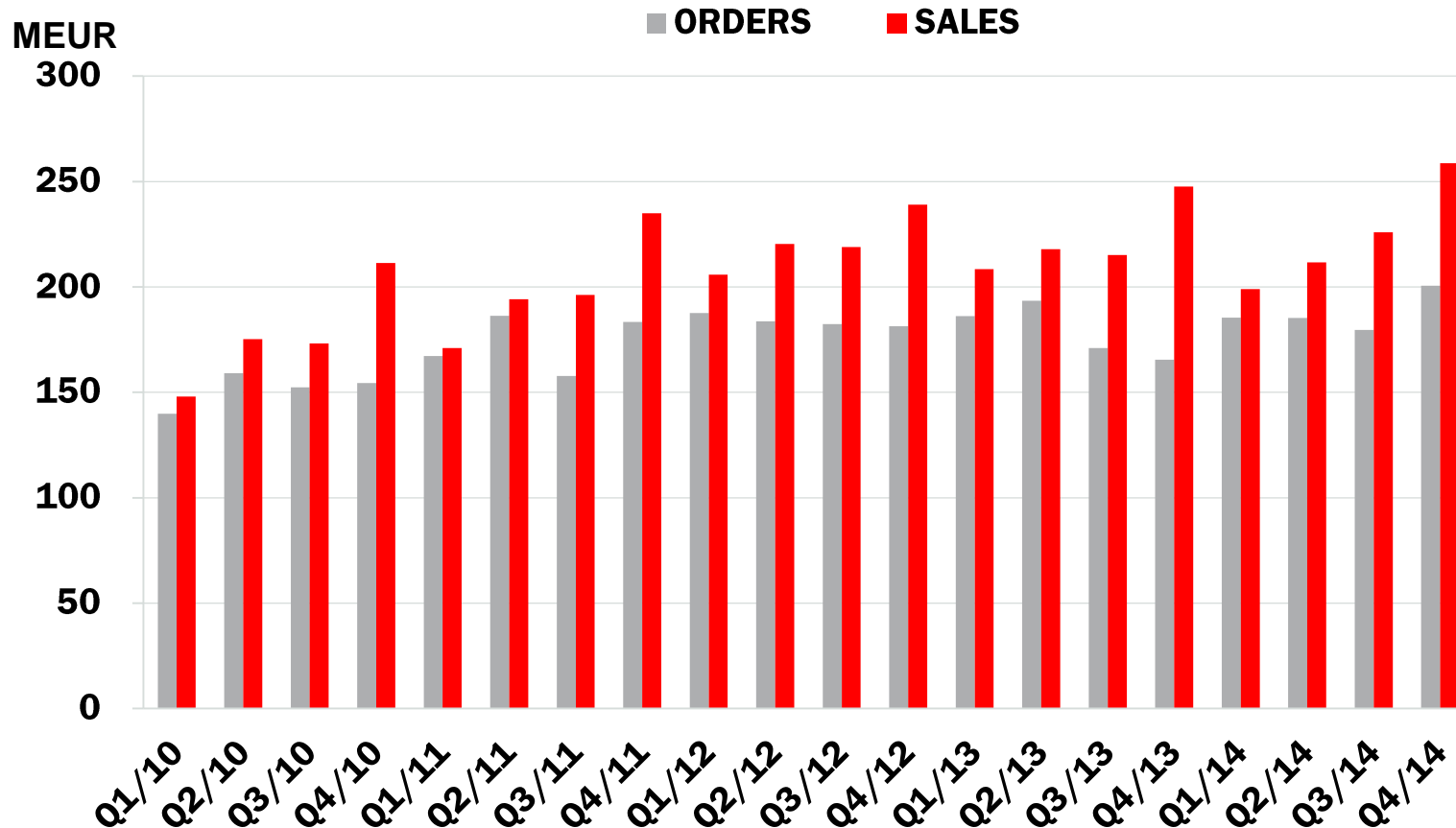
*Board's proposal to the AGM



SERVICE

SERVICE ORDERS AND NET SALES

Q4 Orders: 200.5 (165.5) MEUR, +21.2%* | Sales: 258.6 (247.6) MEUR, +4.4%**

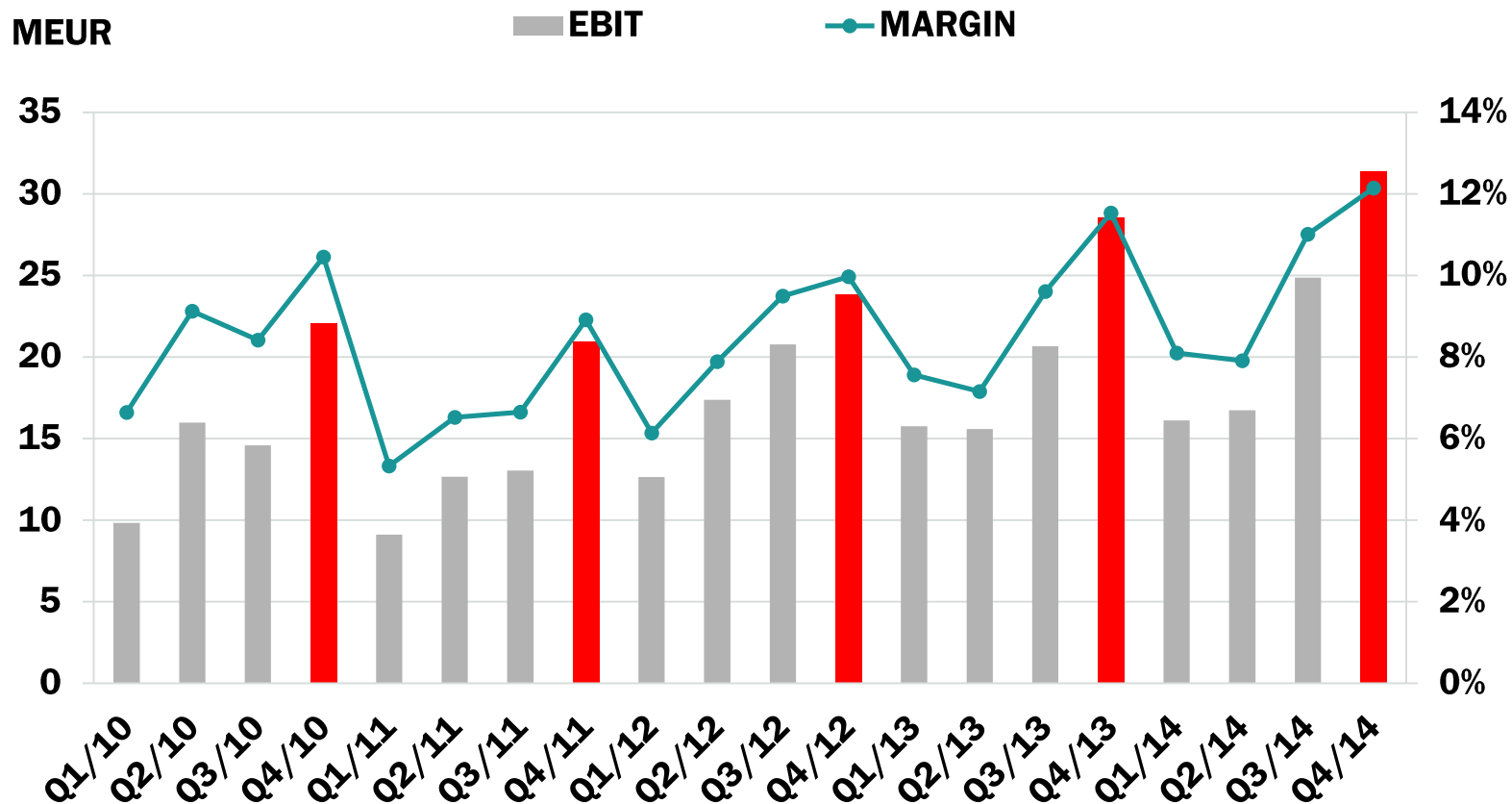


- All-time high orders and sales
- Sales growth was strongest in the Americas, followed by APAC and EMEA
- The growth in parts sales continued stronger than that in crane service

*+16.9% at comparable currencies, **+1.6% at comparable currencies

SERVICE EBIT & MARGIN

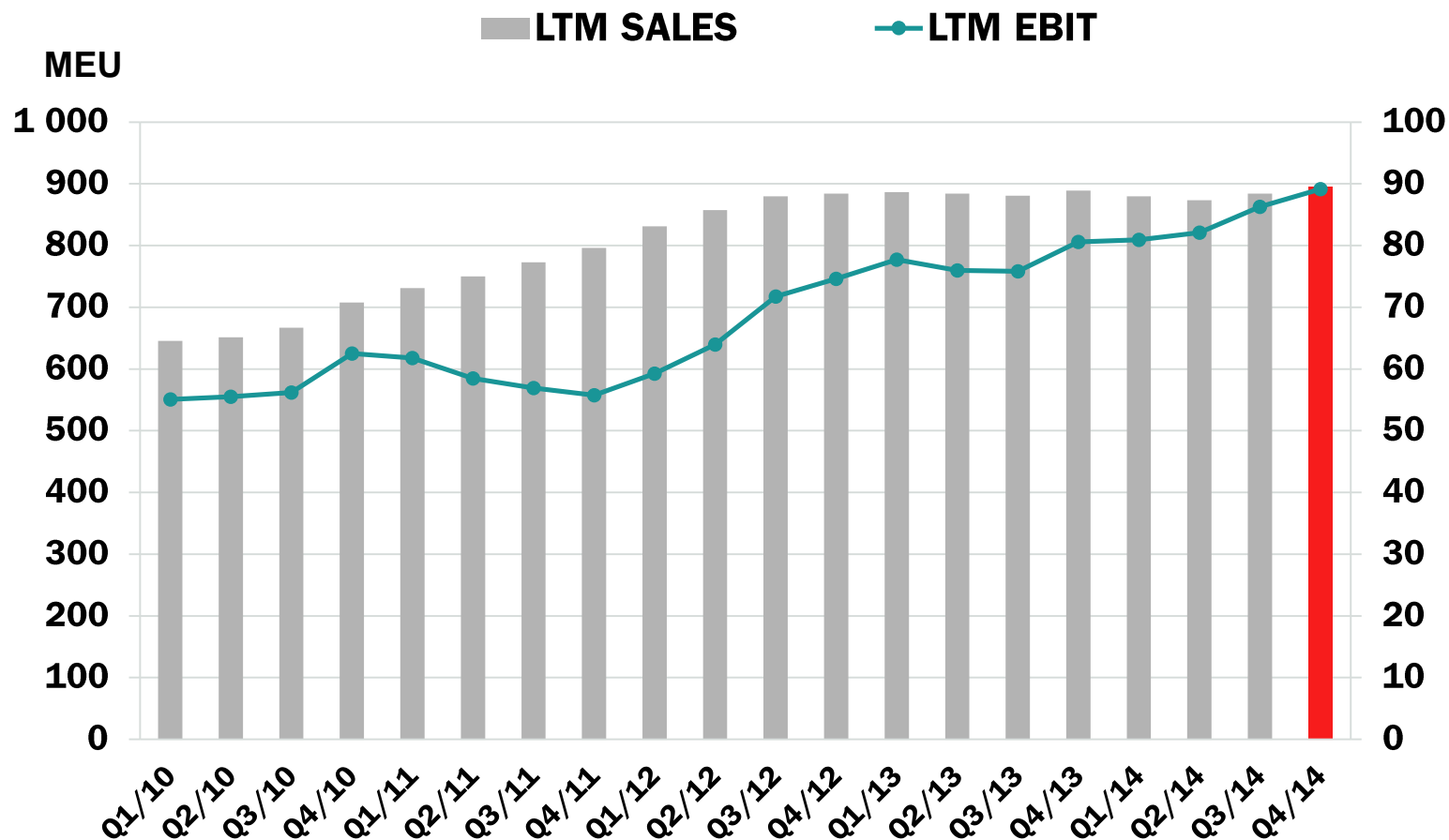
Q4 EBIT: 31.4 (28.6) MEUR, +9.9% | MARGIN: 12.1% (11.5 %), excluding restructuring costs



- All-time high EBIT
- EBIT margin improved on higher sales and gross margin, as well as favorable sales mix

SERVICE NET SALES AND EBIT

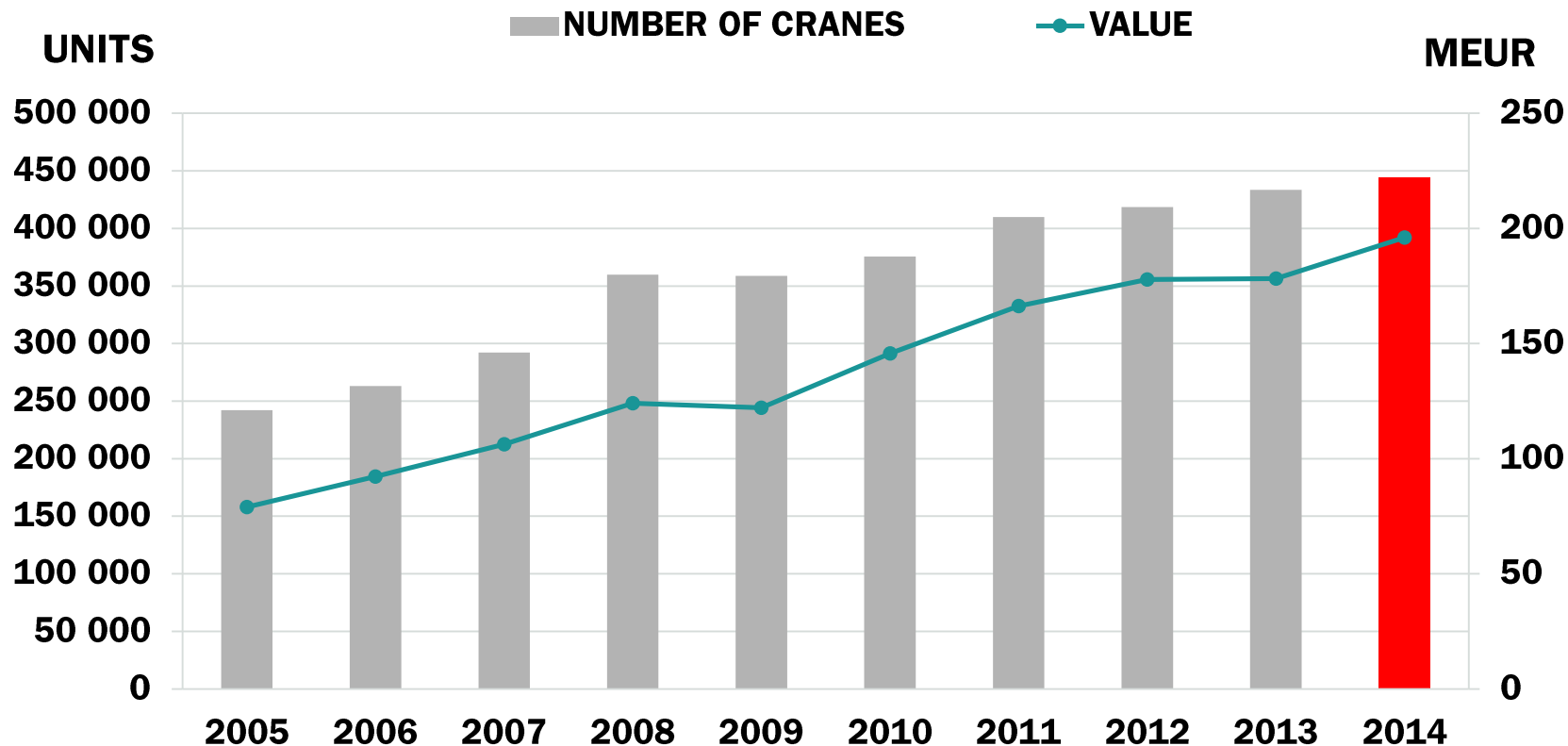
**R12M Sales: 895.1 (889.1) MEUR, +0.7%* | EBIT: 89.1 (80.6) MEUR, +10.6%,
excluding restructuring costs**



*+2.3% at comparable currencies

SERVICE CONTRACT BASE

Q4 CB: 444 (434) thousand units, +2.5% | Annual value 196 (178) MEUR, +10.0%*

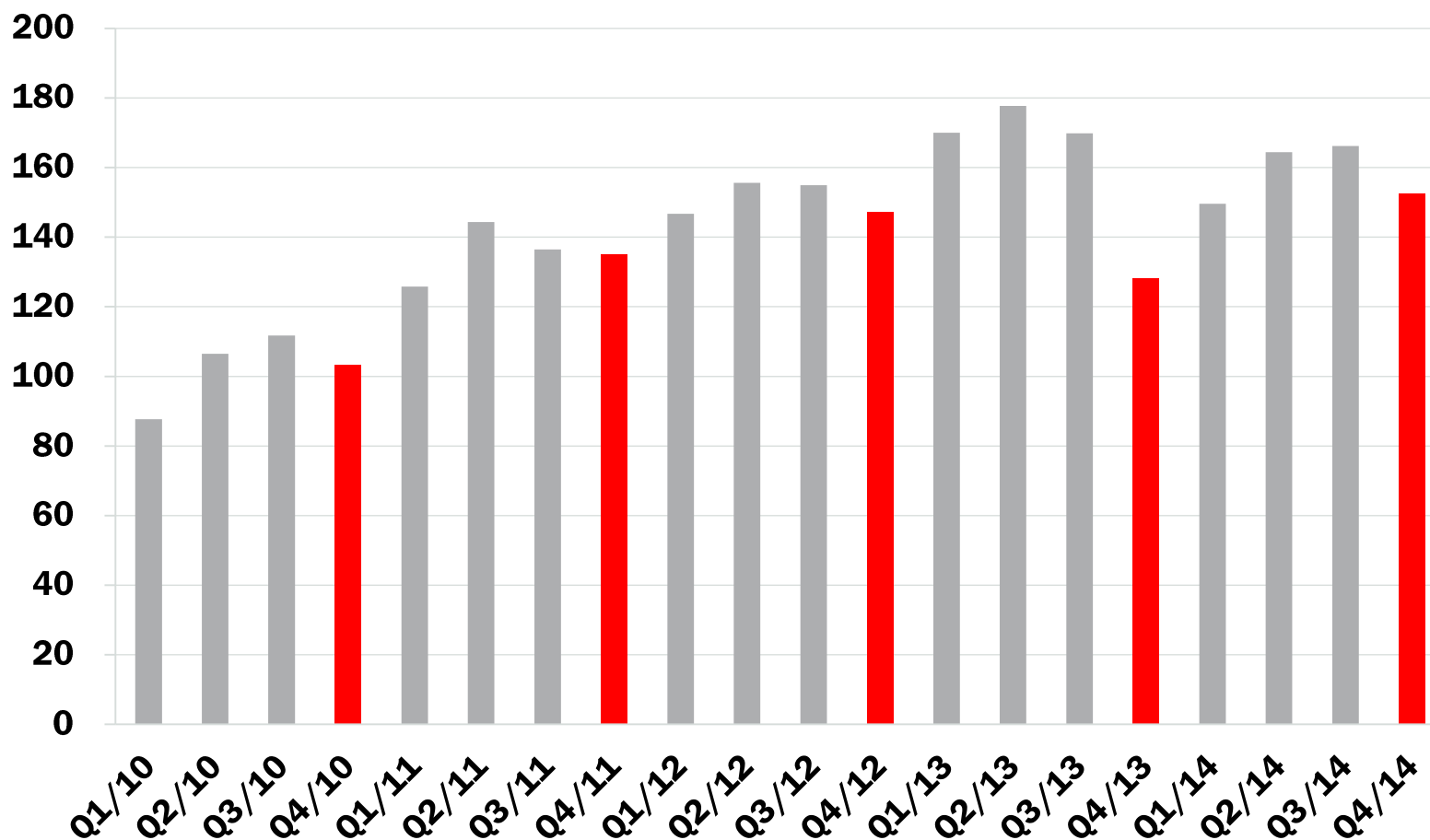


*+5.9% at comparable currencies

SERVICE ORDER BOOK

Q4 Order book: 152.6 (128.1) MEUR, +19.1%

MEUR

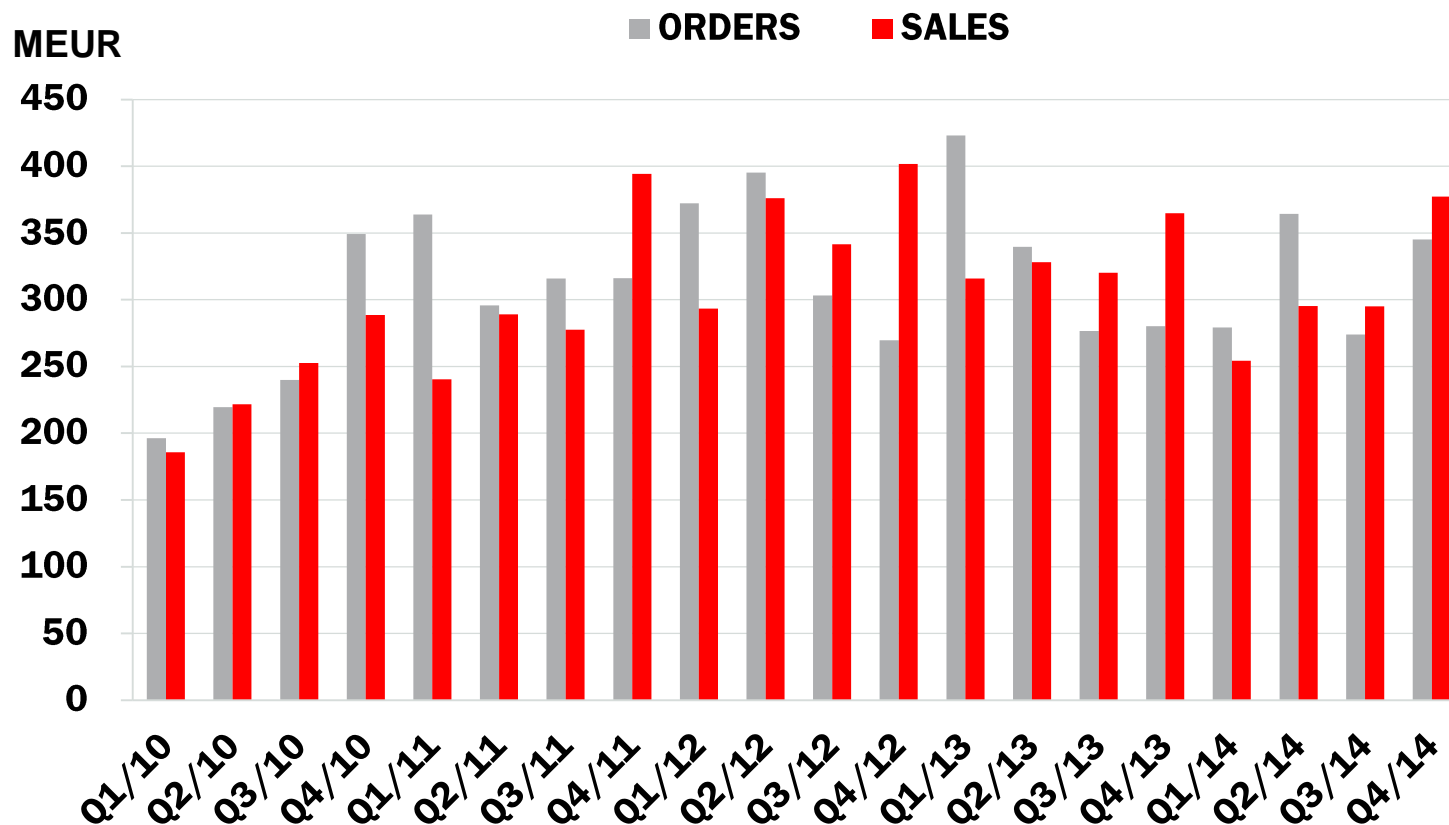




EQUIPMENT

EQUIPMENT ORDERS AND NET SALES

Q4 Orders: 345.1 (280.3) MEUR, +23.1%* | Net sales: 377.2 (364.9) MEUR, +3.4%**

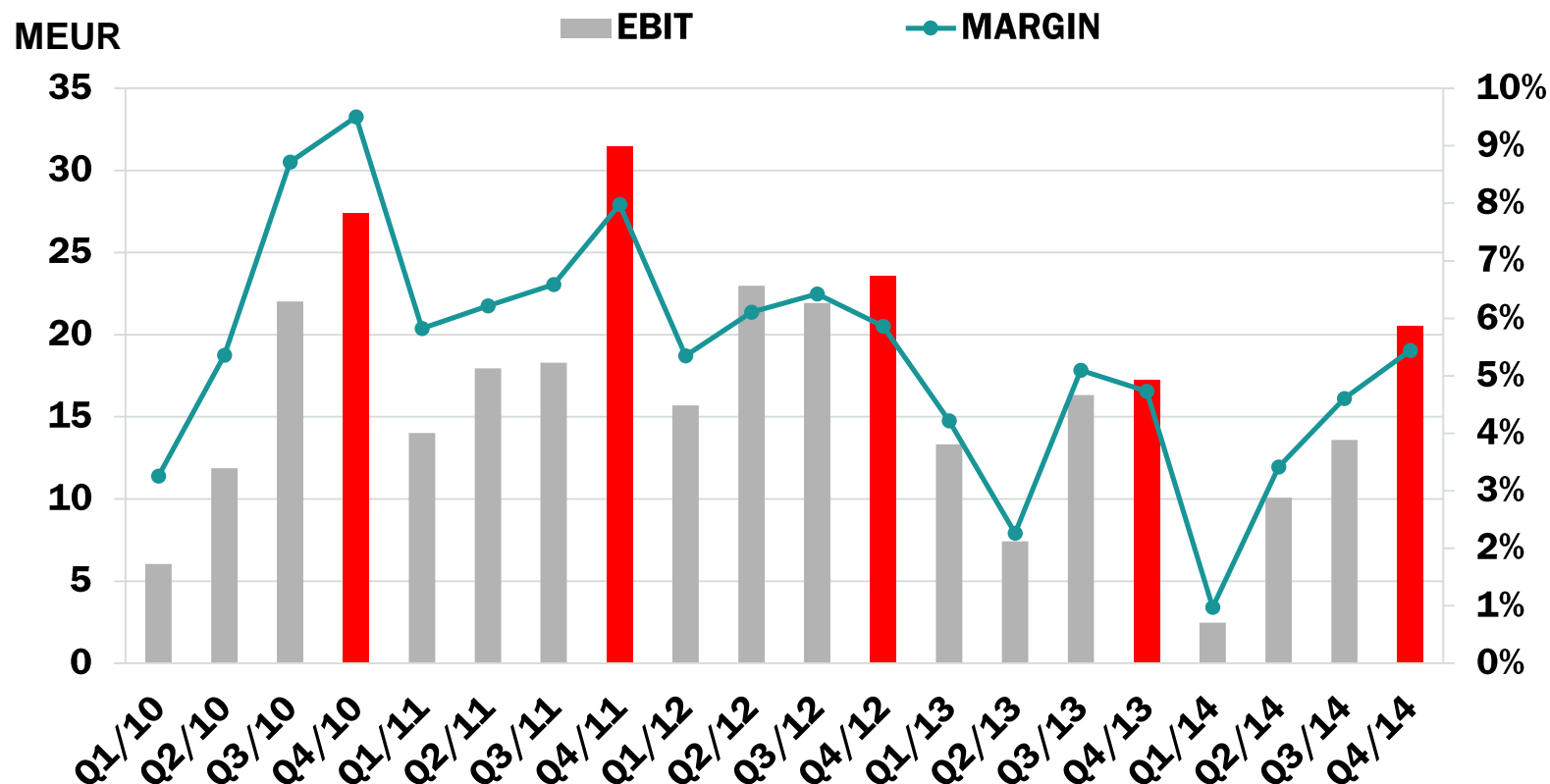


- Order intake increased in EMEA and the Americas, APAC orders were flat Y/Y
- Port cranes saw the strongest increase, while the orders for standard industrial cranes and components increased as well Y/Y

*+23.3% at comparable currencies, **+1.9% at comparable currencies

EQUIPMENT EBIT & MARGIN

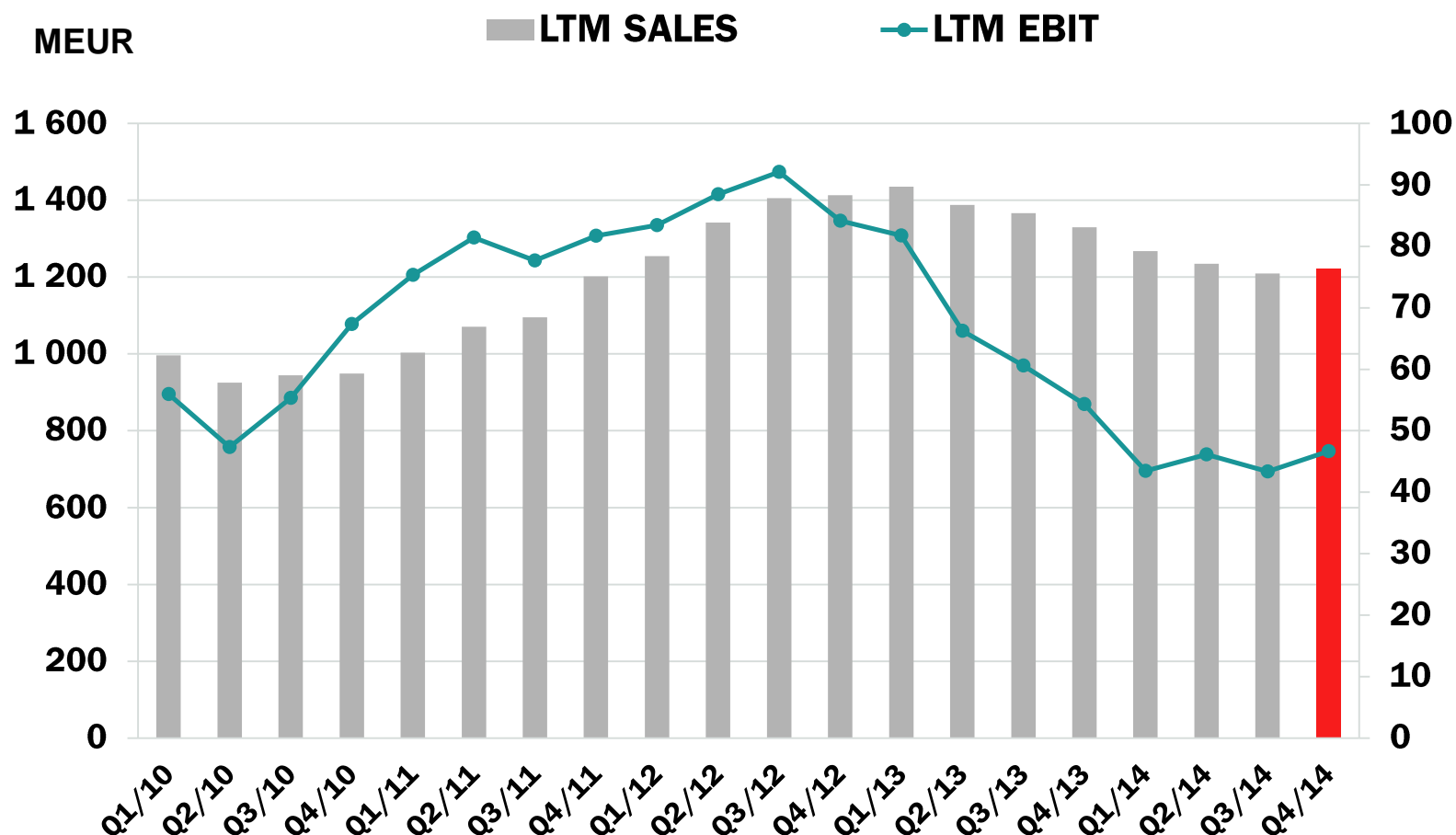
Q4 EBIT: 20.5 (17.3) MEUR, +18.9% | MARGIN: 5.4% (4.7%), excluding restructuring costs



- EBIT margin rose due to higher sales and better sales mix

EQUIPMENT NET SALES AND EBIT

**R12M Sales: 1,221.7 (1,329.2) MEUR, -8.1%* | EBIT: 46.7 (54.3) MEUR, -14.1%,
excluding restructuring costs**



*-6.9% at comparable currencies

EQUIPMENT ORDER BOOK

Q4 Order book: 826.9 (765.3) MEUR, +8.0%

MEUR

1200

1000

800

600

400

200

0

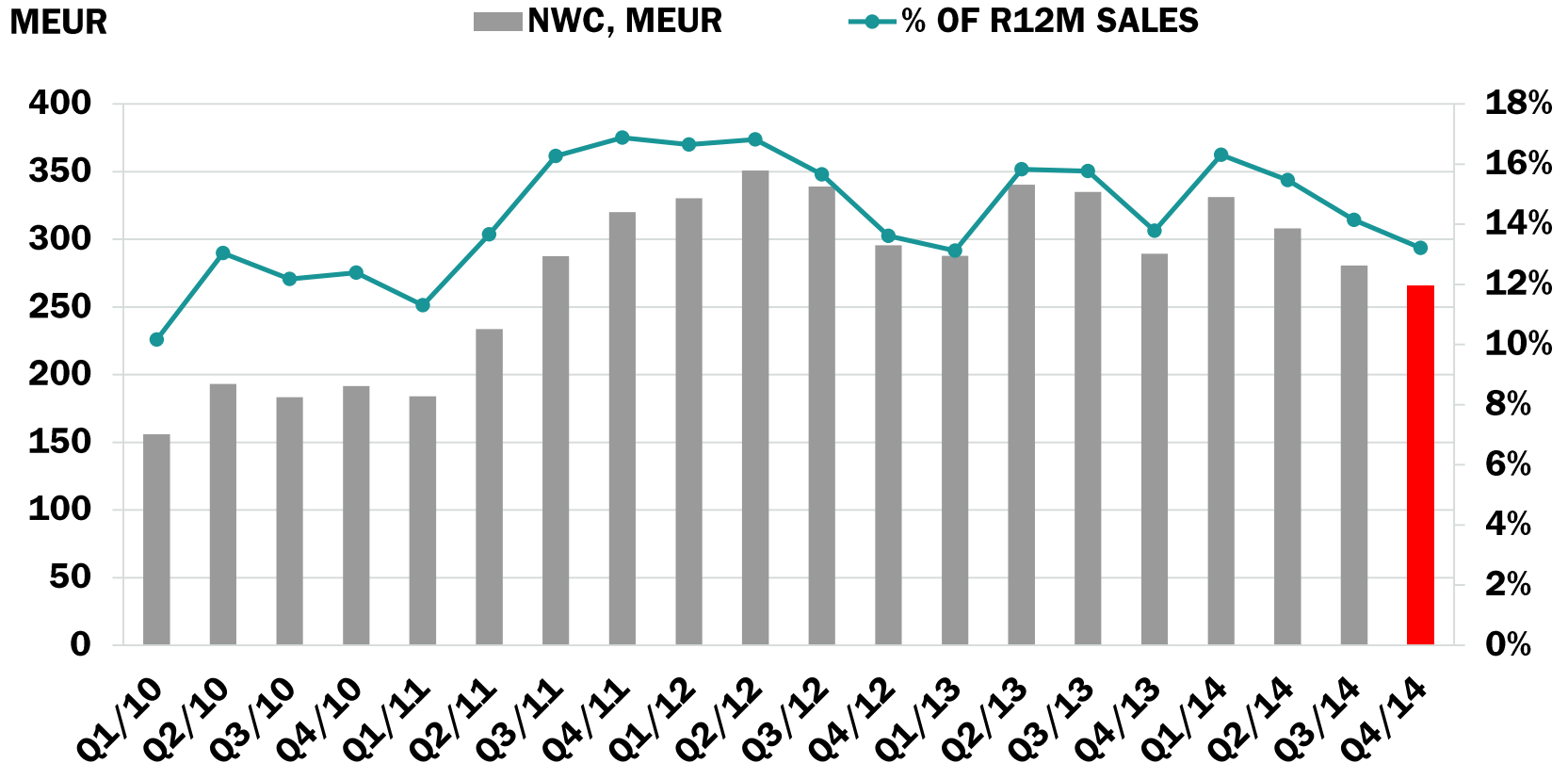
Q1/10 Q2/10 Q3/10 Q4/10 Q1/11 Q2/11 Q3/11 Q4/11 Q1/12 Q2/12 Q3/12 Q4/12 Q1/13 Q2/13 Q3/13 Q4/13 Q1/14 Q2/14 Q3/14 Q4/14



BALANCE SHEET AND CASH FLOW

NET WORKING CAPITAL

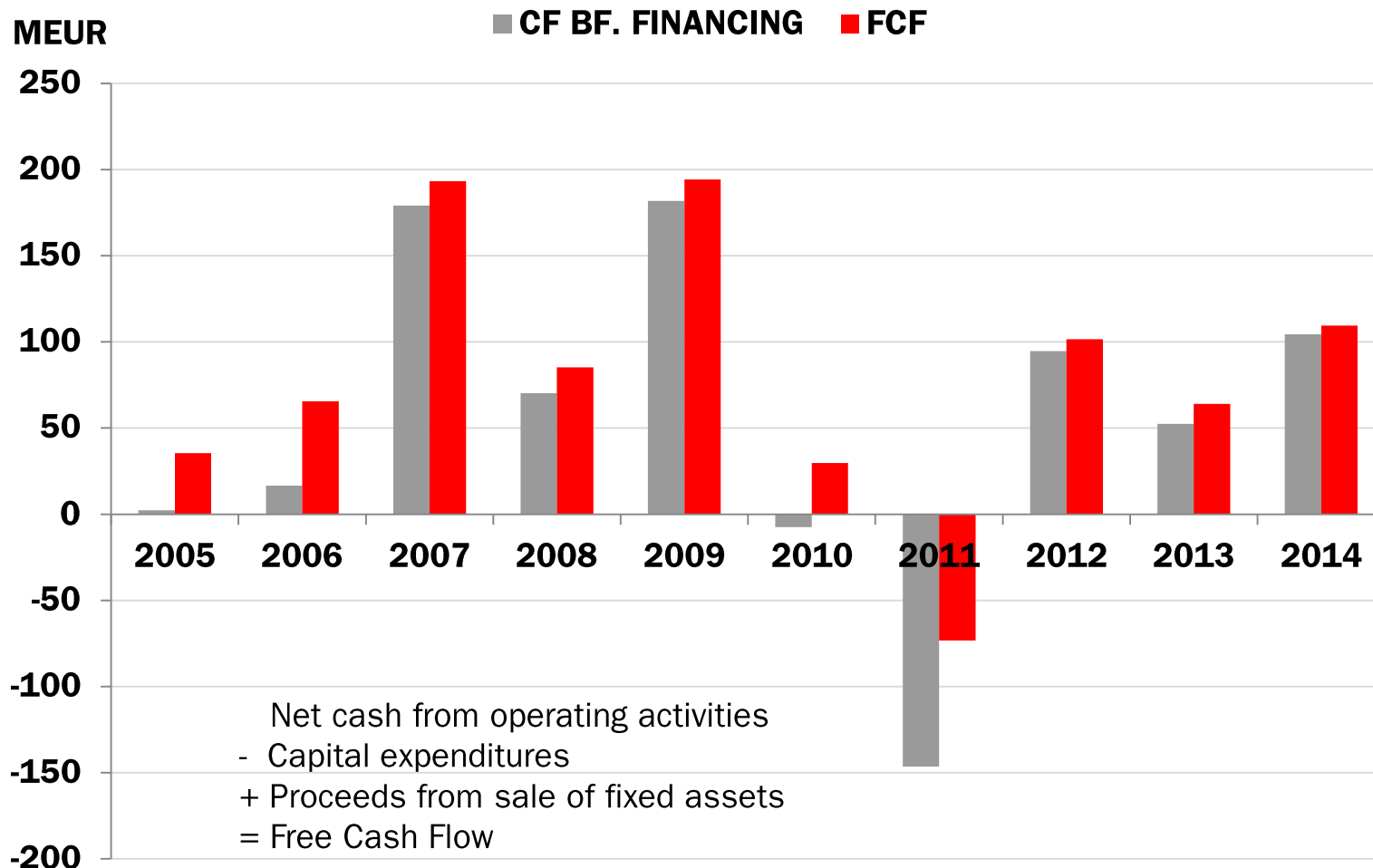
Q4 NWC: 265.7 (289.4) MEUR | 13.2% (13.8%) of R12M sales



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

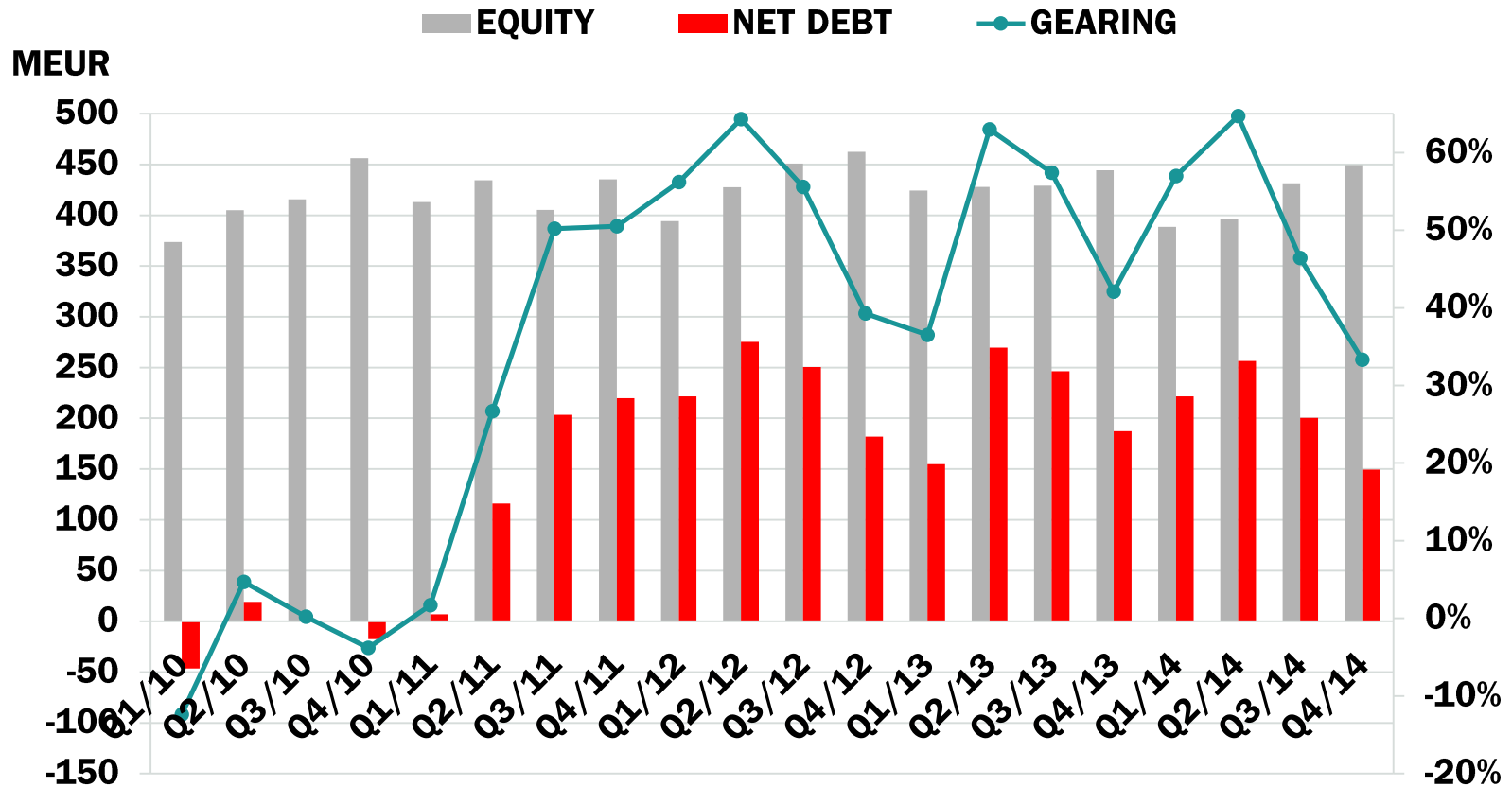
CF BEFORE FINANCING ACTIVITIES AND FCF

2014 CF BF. FINANCING: 104.5 (52.5) MEUR | FCF: 109.4 (64.0) MEUR



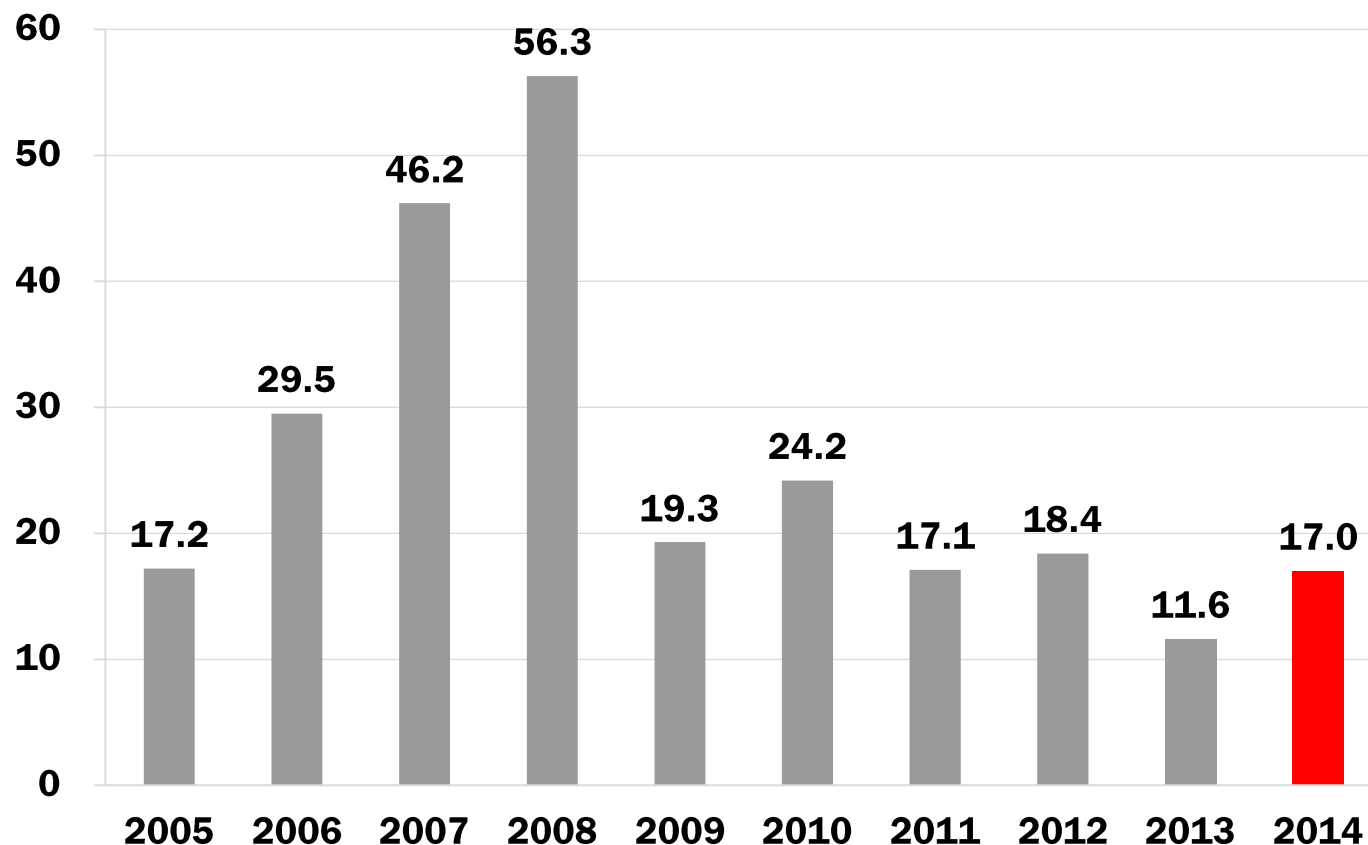
GEARING

Q4 Equity: 449.3 (444.5) MEUR | Net debt: 149.5 (187.3) MEUR | Gearing: 33.3% (42.1%)



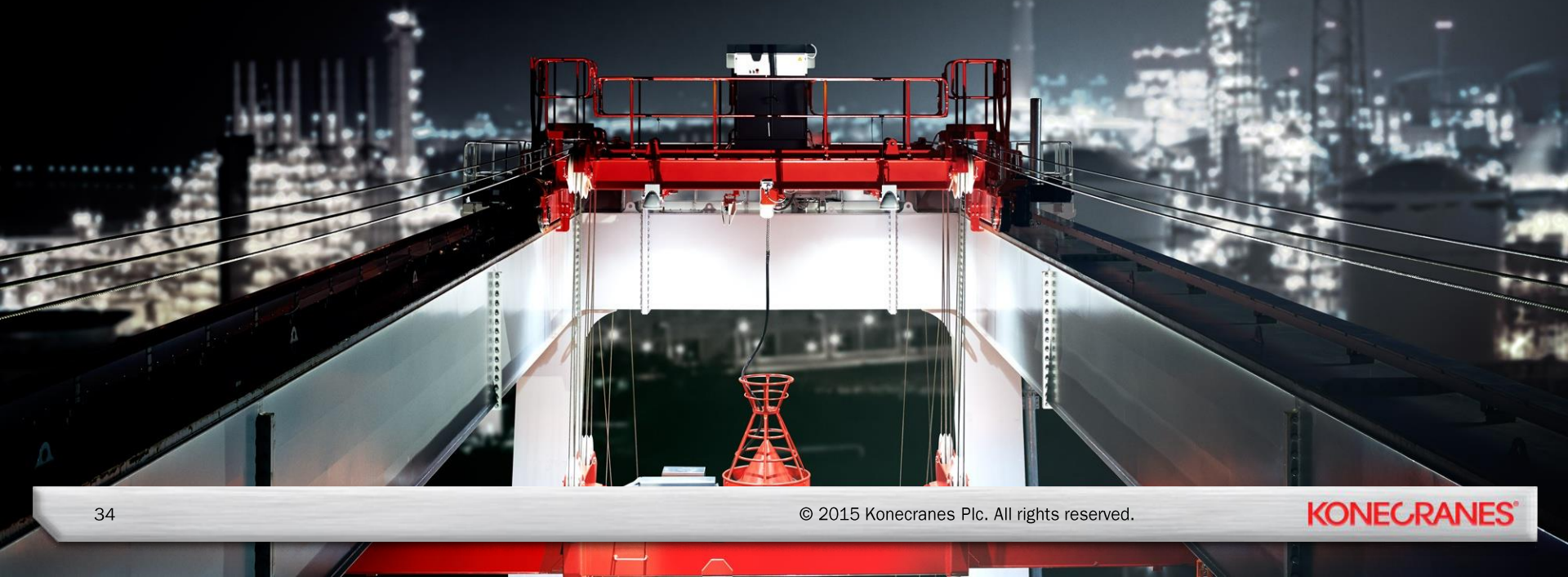
RETURN ON CAPITAL EMPLOYED

ROCE %





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



A close-up photograph of a male worker in profile, facing right. He is wearing a white hard hat with a red 'C' logo, clear safety glasses, and an orange high-visibility jacket. He is looking intently at an open electrical control panel. The panel contains various components, including terminal blocks with red and white wires, and two digital displays with buttons. The background is slightly blurred, showing more of the industrial environment.

APPENDICES

STATEMENT OF INCOME

MEUR	2014	2013	% Change
Sales	2,011.4	2,099.6	-4.2
Other operating income	2.8	1.6	
Depreciation and impairments	-43.1	-56.0	
Other operating expenses	-1,855.2	-1,960.6	
Operating profit	115.8	84.5	37.1
Share of associates' and joint ventures' result	3.7	3.9	
Financial income and expenses	-12.1	-13.0	
Profit before taxes	107.4	75.5	42.3
Taxes	-32.8	-26.1	
Net profit for the period	74.6	49.4	50.9

BALANCE SHEET

MEUR	December 31, 2014	December 31, 2013	MEUR	December 31, 2014	December 31, 2013
Non-current assets	500.4	482.7	Equity	449.3	444.5
Inventories	335.5	325.5	Non-current liabilities	283.0	231.4
Other current assets	543.5	541.7	Provisions	45.2	47.5
Cash and cash equivalents	97.9	132.2	Current liabilities	699.9	758.6
Total assets	1,477.4	1,482.0	Total equity and liabilities	1,477.4	1,482.0

CASH FLOW STATEMENT

MEUR	2014	2013
Operating income before change in net working capital	157.0	144.8
Change in net working capital	26.9	28.0
Financing items and taxes	-35.4	-52.6
Net cash from operating activities	148.4	120.2
Cash flow from investing activities	-43.9	-67.8
Cash flow before financing activities	104.5	52.5
Proceeds from options exercised and share issues	1.2	6.2
Change in interest-bearing debt	-79.5	-4.7
Dividends paid to equity holders of the parent	-60.8	-60.6
Net cash used in financing activities	-139.0	-59.1
Translation differences in cash	0.3	-6.5
Change of cash and cash equivalents	-34.3	-13.1
Cash and cash equivalents at beginning of period	132.2	145.3
Cash and cash equivalents at end of period	97.9	132.2
Change of cash and cash equivalents	-34.3	-13.1

KEY FIGURES

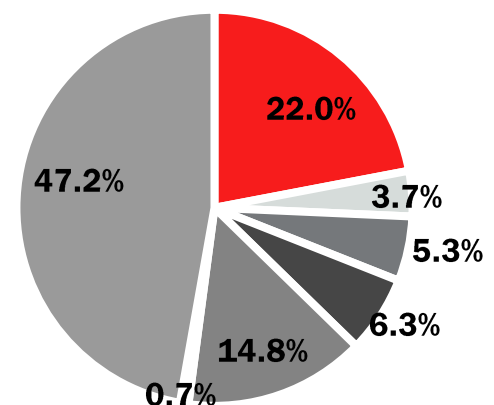
MEUR	December 31, 2014	December 31, 2013	% Change
Earnings per share, basic, EUR	1.28	0.85	51.0
Earnings per share, diluted, EUR	1.28	0.85	51.2
Return on capital employed %	17.0	11.6	
Return on equity %	16.7	10.9	
Equity per share, EUR	7.75	7.56	2.5
Current ratio	1.3	1.2	
Gearing (%)	33.3	42.2	
Solidity (%)	35.2	34.0	
EBITDA, MEUR	159.0	140.5	13.1
Investments total (excl. acquisitions), MEUR	60.0	65.7	-8.6
Interest-bearing net debt, MEUR	149.5	187.3	-20.2
Net working capital, MEUR	265.7	289.4	-8.2
Personnel at end of period	11,982	11,832	1.3
Personnel on average during the period	11,920	11,987	-0.6
Average number of shares outstanding, basic	57,908,972	57,683,620	0.4
Average number of shares outstanding, diluted	58,034,096	57,876,949	0.3
Number of shares outstanding	57,943,927	57,828,080	0.2

THE LARGEST SHAREHOLDERS

Largest shareholders on December 31, 2014	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 *)	2,076,208	3.3
3 Varma Mutual Pension Insurance Company	1,190,275	1.9
4 The State Pension Fund	700,000	1.1
5 Nordea Investment Funds	688,080	1.1
6 Sigrid Jusélius Foundation	638,500	1.0
7 Folkhälsan Samfundet i Svenska Finland	535,600	0.8
8 The Local Government Pensions Institution	533,542	0.8
9 Ilmarinen Mutual Pension Insurance Company	501,603	0.8
10 Fondita Funds	428,000	0.7
Konecranes Plc's treasury shares	5,328,415	8.4
Nominee registered shares	29,898,171	47.3
Other shareholders	13,883,380	21.9
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 1,380.2 million excluding treasury shares



- Private companies
- Financial and insurance institutions
- Public sector organizations
- Non-profit organizations
- Households
- Foreigners

Trading information

- Listing: NASDAX OMX Helsinki
- Date of listing: March 27, 1996
- Segment: Large Cap
- Sector: Industrials
- Trading code: KCR1V
- 1-12/14 average daily trading volume 197,546 shares, EUR 4.6 million

CONTACT INFORMATION

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