KONECRANES
Lifting Businesses™

ALL-TIME HIGH ORDER INTAKE, SERVICE PROFITABILITY IMPROVEMENT CONTINUES, EQUIPMENT PROFITABILITY NOT YET SATISFACTORY

Interim Report
January–March 2013

Q1

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ALL-TIME HIGH ORDER INTAKE, SERVICE PROFITABILITY IMPROVEMENT CONTINUES, EQUIPMENT PROFITABILITY NOT YET SATISFACTORY

Figures in brackets, unless otherwise stated, refer to the same period a year earlier.

FIRST QUARTER HIGHLIGHTS

- Order intake EUR 582.5 million (534.6), +9.0 percent; Service -0.9 percent and Equipment +13.7 percent.
- Order book EUR 1,084.0 million (1,075.6) at the end of March, 0.8 percent higher than a year ago, 15.0 percent higher than at the end of 2012.
- Sales EUR 495.9 million (474.0), +4.6 percent; Service +1.3 percent and Equipment +7.6 percent.
- Operating profit before restructuring costs EUR 23.1 million (24.0), 4.7 percent of sales (5.1).
- Restructuring costs EUR 4.3 million (0.0).
- Operating profit including restructuring costs EUR 18.8 million (24.0), 3.8 percent of sales (5.1).
- Earnings per share (diluted) EUR 0.19 (0.25).
- Net cash flow from operating activities EUR 32.2 million (12.0).
- Net debt EUR 155.0 million (221.7) and gearing 36.5 percent (56.2).

MARKET OUTLOOK

Demand is expected to be stable or slightly higher among industrial customers. The demand within port customers is expected to be stable. However, due to the timing of large port crane projects, the quarterly Equipment order intake may fluctuate.

FINANCIAL GUIDANCE

Based on the offer base and the near-term demand outlook, the year 2013 sales are expected to be stable or slightly higher than in 2012. We expect the 2013 operating profit to improve from 2012.

KEY FIGURES

	1–3/2013	1–3/2012	Change percent	R12M	1–12/2012
Orders received, MEUR	582.5	534.6	9.0	2,018.1	1,970.1
Order book at end of period, MEUR	1,084.0	1,075.6	0.8		942.7
Sales total, MEUR	495.9	474.0	4.6	2,193.4	2,171.5
EBITDA excluding restructuring costs, MEUR	33.3	33.7	-1.1	179.4	179.7
EBITDA excluding restructuring costs, %	6.7%	7.1%		8.2%	8.3%
Operating profit excluding restructuring costs, MEUR	23.1	24.0	-3.7	137.4	138.3
Operating margin excluding restructuring costs, %	4.7%	5.1%		6.3%	6.4%
EBITDA, MEUR	29.2	33.7	-13.2	172.4	176.8
EBITDA, %	5.9%	7.1%		7.9%	8.1%
Operating profit, MEUR	18.8	24.0	-21.5	127.3	132.5
Operating margin, %	3.8%	5.1%		5.8%	6.1%
Profit before taxes, MEUR	15.5	20.5	-24.2	119.3	124.2
Net profit for the period, MEUR	10.9	14.4	-24.2	81.3	84.8
Earnings per share, basic, EUR	0.19	0.25	-23.5	1.41	1.47
Earnings per share, diluted, EUR	0.19	0.25	-23.4	1.41	1.46
Gearing, %	36.5%	56.2%			39.3%
Return on capital employed %, Rolling 12 Months (R12M)				17.8%	18.4%
Free cash flow, MEUR	21.7	0.7	3,103.6	122.6	101.6
Average number of personnel during the period	12,114	11,704	3.5		11,917

PRESIDENT AND CEO PEKKA LUNDMARK

“We are happy to report an all-time high order intake in the first quarter of 2013. The order from the Indonesian port operator Pelindo III, booked in February and worth more than 100 million euro, is also the largest single order in our company’s history. Orders for industrial cranes and components recovered somewhat from the low level in the last quarter of 2012 and also the growth of service contract base accelerated. Overall, a good quarter for our order book.

Positive development in the service business profitability we saw throughout 2012 continued. The new technologies and the broadened scope of services that we are launching have been well received by the customers. As for the equipment business, the quarter suffered from seasonally low delivery volumes. This was further accentuated by product mix, price pressure and the low order intake in the second half of last year affecting the entire first half of 2013. Restructuring measures to lower our cost base in the equipment business are proceeding according to the plan, and they will gradually deliver results.”

KONECRANES PLC INTERIM REPORT JANUARY–MARCH 2013

MARKET REVIEW

In the first quarter of 2013, the U.S. economic data continued to be stronger than in the most of other regions. American factory output, measured by the purchasing managers' index, expanded throughout the quarter. The U.S. manufacturing capacity utilization rate continued to increase from the fall of 2012 and was up year-on-year basis.

In the Eurozone, the January–March 2013 manufacturing activity remained downbeat according to the PMI surveys in the region. Correspondingly, the manufacturing capacity utilization in the European Union declined on year-on-year basis, but was stable in sequential comparison.

Purchasing managers' indexes in Brazil, Russia, India and China signaled a slow expansion of the industrial output in the first quarter of 2013. Overall, the world's manufacturing sector activity, according to the aggregated JPMorgan Global Manufacturing PMI, improved from the fourth quarter of 2012. However, the overall rate of increase remained modest and below the long-run survey average.

Compared to the previous year, the demand for lifting equipment and lift trucks weakened among industrial customers on a global basis, with Western Europe, China and India being the weakest markets. The demand development was most positive in South East Asia. In the sequential comparison, the demand recovered on a broad basis.

The global container traffic grew by about 4 percent in 2012. The available statistics from early 2013 point to a small uptick in the port handling volume growth in a year-on-year comparison.

The project activity with container ports was satisfactory. The demand was robust for automated solutions that provide higher productivity and lower costs for large terminals. Africa remained an important market for container handling equipment using conventional technology, while the demand for these machines was slack in the developed markets. The demand for shipyard cranes continued to be concentrated in Brazil.

Demand for lifting equipment services was overall stable with the regional development reflecting the differences in manufacturing capacity utilization rates.

The trend in steel and copper prices remained slightly downward in the first quarter of 2013. The EUR was stable against the USD during the first quarter.

Note: Unless otherwise stated, the figures in brackets in the sections below refer to the same period in the previous year.

ORDERS RECEIVED

Orders received in January–March totaled EUR 582.5 million (534.6), representing an increase of 9.0 percent. Orders received decreased by 0.9 percent in Service, but increased by 13.7 percent in Equipment compared to the year before. Orders received rose in Asia-Pacific mainly due to the large port crane order but fell in the Americas and EMEA. Acquisitions contributed about 1 percent to the orders received in January–March.

The order intake in the first quarter increased by 37.4 percent compared to the fourth quarter of 2012. Orders received grew by 2.6 percent in Service and by 56.9 percent in Equipment compared to the fourth quarter. Equipment orders grew in all regions and across business units. Group's new orders grew in the Americas and Asia-Pacific, while they remained stable in EMEA.

ORDER BOOK

The value of the order book at the end of March totaled EUR 1,084.0 million. The order book increased by 15.0 percent from the year-end 2012 when it stood at EUR 942.7 million, and by 0.8 percent from the last year's comparison figure of EUR 1,075.6 million. Service accounted for EUR 170.0 million (16 percent) and Equipment for EUR 914.0 million (84 percent) of the total end-March order book.

SALES

Group sales in January–March increased by 4.6 percent to EUR 495.9 million (474.0). Sales in Service rose by 1.3 percent and in Equipment by 7.6 percent. Acquisitions contributed about 1 percent to the sales in the first quarter of 2013.

At end-March, the regional breakdown, calculated on a rolling 12 months basis, was as follows: EMEA 47 (50), Americas 35 (29) and APAC 18 (21) percent.

NET SALES BY REGION, MEUR

	1–3/2013	1–3/2012	Change percent	Change % at comparable currency rates	R12M	1–12/2012
EMEA	222.9	230.1	-3.1	-3.3	1,036.5	1,043.7
AME	191.0	148.7	28.4	29.3	763.2	721.0
APAC	82.0	95.2	-13.9	-12.9	393.7	406.9
Total	**495.9**	**474.0**	**4.6**	**5.0**	**2,193.4**	**2,171.5**

CURRENCY RATE EFFECT

In a year-on-year comparison, the currency rates had a slightly negative effect on orders and sales in January–March. The reported increase in order intake in January–March was 9.0 percent, whereas the corresponding figure at comparable currency rates was 9.3 percent. Reported sales rose by 4.6 percent or by 5.0 percent at comparable currency rates.

The reported order intake decreased in Service by 0.9 percent or by 0.5 percent at comparable currency rates. In Equipment, the reported order intake increased by 13.7 percent or by 14.1 percent at comparable currency rates. The reported sales increased in Service by 1.3 percent or by 1.7 percent at comparable currency rates. The corresponding figures in Equipment sales were +7.6 percent and +7.9 percent.

FINANCIAL RESULT

The consolidated operating profit in January–March totaled EUR 18.8 million (24.0). Operating profit decreased by EUR 5.1 million and the consolidated operating margin fell to 3.8 percent (5.1). The operating profit includes restructuring costs of EUR 4.3 million (0.0) due to the restructuring of operations within the Business Area Equipment. The operating margin in Service rose to 7.6 percent (6.1), while it fell in Equipment to 2.9 percent (5.4).

Both business areas benefited from the higher volumes compared to last year. Service's profitability was further supported by improved operational efficiency. The Equipment operating margin fell due to adverse sales mix effects and intense competitive situation.

In January–March, depreciation and impairments totaled EUR 10.4 million (9.7). The amortization arising from purchase price allocations for acquisitions represented EUR 3.4 million (3.7) of the depreciation and impairments.

In January–March, the share of the result of associated companies and joint ventures was EUR 0.6 million (0.6).

Financial income and expenses in January–March totaled EUR -3.9 million (-4.1). Net interest expenses accounted for EUR 2.4 million (2.7) of this and the remainder was mainly attributable to the unrealized exchange rate differences related to the hedging of future cash flows that are not included in the hedge accounting.

January–March profit before taxes was EUR 15.5 million (20.5).

Income taxes in January–March were EUR 4.6 million (6.1). The Group's effective tax rate was 29.8 percent (29.8).

January–March net profit was EUR 10.9 million (14.4).

In January–March, the basic earnings per share were EUR 0.19 (0.25) and the diluted earnings per share were EUR 0.19 (0.25).

On a rolling twelve-month basis, the return on capital employed was 17.8 percent (19.0) and the return on equity 19.9 percent (18.3).

BALANCE SHEET

The end-March 2013 consolidated balance sheet amounted to EUR 1,640.4 million (1,503.3). Total equity at the end of the report period was EUR 424.3 million (394.4). Total equity attributable to the equity holders of the parent company was EUR 417.9 million (388.8) or EUR 7.24 per share (6.80) on March 31.

Net working capital at the end of March 2013 totaled EUR 227.2 million, which was EUR 68.3 million less than at the year-end 2012 and EUR 45.9 million less than a year ago. The net working capital, adjusted for unpaid dividends, which were reported in the accruals on March 31, amounted to EUR 287.8 million (330.2). Compared to previous year, net working capital fell due to the lower inventories and higher advance payments received.

CASH FLOW AND FINANCING

Net cash from operating activities in January–March was EUR 32.2 million (12.0) representing EUR 0.56 per diluted share (0.21). Cash flow from capital expenditures amounted to EUR -10.6 million (-13.1). Cash flow before financing activities was EUR 20.9 million (-0.8).

Interest-bearing net debt was EUR 155.0 million at the end of March 2013 compared to EUR 181.8 million at the end of 2012, and compared to EUR 221.7 million a year ago. The solidity was 30.0 percent (30.2) and the gearing 36.5 percent (56.2).

At the end of the first quarter, cash and cash equivalents amounted to EUR 217.4 million (108.7). None of the Group's EUR 200 million committed back-up financing facility was in use at the end of the period.

CAPITAL EXPENDITURE

Capital expenditure in January–March excluding acquisitions amounted to EUR 15.8 million (8.4). This amount consisted mainly of the replacement or capacity expansion investments in property, machines, equipment and information technology.

A new crane manufacturing plant in Jejuri near Pune, India, was taken into use during the first quarter of 2013. Total investment amounted to approximately EUR 15 million. All manufacturing operations in India will be consolidated into the new facility during 2013. In addition to India, the factory is well placed to serve the markets of Asia, Middle East and Africa.

Capital expenditure including acquisitions and investments in associated companies was EUR 16.8 million (8.4).

ACQUISITIONS

In January–March, the capital expenditure on acquisitions and investments in associated companies was EUR 1.0 million (0.0). Konecranes acquired a crane service company in France. The net assets of the acquisition were recorded at EUR 1.0 million. No goodwill was booked from the acquisition.

On February 18, Konecranes announced that it has agreed to buy certain assets of the container handling truck business of Linde Material Handling, which is wholly owned by KION Group. The two Groups have also signed a long-term supply agreement and will collaborate to further increase the global competitiveness of their respective container handling truck activities. The transaction is expected to close during the second quarter of 2013.

PERSONNEL

In the first quarter, the Group employed an average of 12,114 people (11,704). On March 31, the headcount was 12,081 (11,756). At the end of March, the number of personnel by Business Area was as follows: Service 6,241 employees (5,981), Equipment 5,782 employees (5,714) and Group staff 58 (61). The Group had 6,301 employees (6,164) working in EMEA, 2,708 (2,546) in the Americas and 3,072 (3,046) in the APAC region.

BUSINESS AREAS

SERVICE

	1–3/2013	1–3/2012	Change percent	R12M	1–12/2012
Orders received, MEUR	186.0	187.6	-0.9	733.4	735.0
Order book, MEUR	170.0	146.7	15.9		147.2
Contract base value, MEUR	186.7	174.1	7.3		177.9
Net sales, MEUR	208.4	205.8	1.3	886.6	884.0
EBITDA, MEUR	19.4	15.6	24.1	91.1	87.3
EBITDA, %	9.3%	7.6%		10.3%	9.9%
Depreciation and amortization, MEUR	-3.6	-3.0	21.5	-13.3	-12.7
Impairments, MEUR	0.0	0.0	0.0	0.0	0.0
Operating profit (EBIT), MEUR	15.8	12.6	24.7	77.7	74.6
Operating profit (EBIT), %	7.6%	6.1%		8.8%	8.4%
Restructuring costs, MEUR	0.0	0.0		0.0	0.0
Operating profit (EBIT) excluding restructuring costs, MEUR	15.8	12.6	24.7	77.7	74.6
Operating profit (EBIT) excluding restructuring costs, %	7.6%	6.1%		8.8%	8.4%
Capital employed, MEUR	161.8	184.0	-12.1		166.6
ROCE%				45.0%	41.8%
Capital expenditure, MEUR	2.2	2.7	-18.0	12.0	12.5
Personnel at the end of period	6,241	5,981	4.3		6,119

January–March orders received fell by 0.9 percent to EUR 186.0 million (187.6). New orders grew in the Americas but declined in EMEA and Asia-Pacific. Crane Service and Parts were the best-performing business units. The order intake increased by 2.6 percent compared to the fourth quarter of 2012 and was driven by the same factors as in a year-on-year comparisons. The order book increased by 15.9 percent from the year before to EUR 170.0 million (146.7).

Sales in the reporting period rose by 1.3 percent to EUR 208.4 million (205.8). The operating profit was EUR 15.8 million (12.6) and the operating margin 7.6 percent (6.1). Operating profit rose due to increased volume and improved operational efficiency.

The contract base developed favorably in terms of both value and number of units. The total number of equipment included in the maintenance contract base increased to 429,616 at the end of March from 415,658 a year before and from 418,560 at year-end 2012. The annual value of the contract base increased to EUR 186.7 million from EUR 174.1 million a year before and from EUR 177.9 million at year-end 2012.

The number of service technicians at the end of March was 4,010, which is 118 or 3.0 percent more than at the end of March 2012.

EQUIPMENT

	1–3/2013	1–3/2012	Change percent	R12M	1–12/2012
Orders received, MEUR	423.2	372.1	13.7	1,391.4	1,340.4
Order book, MEUR	914.0	928.9	-1.6		795.6
Net sales, MEUR	315.9	293.4	7.6	1,435.2	1,412.7
EBITDA, MEUR	15.8	22.4	-29.4	102.3	108.9
EBITDA, %	5.0%	7.6%		7.1%	7.7%
Depreciation and amortization, MEUR	-6.5	-6.7	-1.7	-27.5	-27.6
Impairments, MEUR	-0.2	0.0	0.0	-3.1	-2.9
Operating profit (EBIT), MEUR	9.1	15.7	-42.3	71.7	78.4
Operating profit (EBIT), %	2.9%	5.4%		5.0%	5.5%
Restructuring costs, MEUR	-4.3	0.0		-10.0	-5.8
Operating profit (EBIT) excluding restructuring costs, MEUR	13.3	15.7	-15.2	81.8	84.2
Operating profit (EBIT) excluding restructuring costs, %	4.2%	5.4%		5.7%	6.0%
Capital employed, MEUR	374.0	448.0	-16.5		406.2
ROCE%				17.5%	18.8%
Capital expenditure, MEUR	13.6	5.6	141.3	37.0	29.1
Personnel at the end of period	5,782	5,714	1.2		5,973

January–March orders received totaled EUR 423.2 million (372.1) showing an increase of 13.7 percent. Orders grew in Asia-Pacific but fell in the Americas and EMEA. Orders for industrial cranes accounted for approximately 30 percent of the orders received and were lower than a year ago. Components, including light lifting systems, generated approximately 25 percent of the new orders and were above last year's level. The combined orders for port cranes and lift trucks amounted to approximately 45 percent of the orders received and were higher than a year ago due to the large single orders for the port and shipyard cranes.

The order intake increased by 56.9 percent compared to the fourth quarter of 2012. While new orders grew in all regions, the growth was strongest in Asia-Pacific followed by the Americas. The sequential order growth was mainly generated through the port cranes and components, but orders for industrial cranes grew as well. The order book decreased by 1.6 percent from a year before to EUR 914.0 million (928.9), but was 14.9 percent higher than at year-end 2012.

Sales rose by 7.6 percent to EUR 315.9 million (293.4). Operating profit, excluding restructuring costs of EUR 4.3 million, was EUR 13.3 million (15.7) and operating margin 4.2 percent (5.4). Operating profit including restructuring costs was EUR 9.1 million (15.7) and operating margin 2.9 percent (5.4). The Equipment operating margin fell due to the adverse sales mix effects and intense competitive situation.

Group Overheads

Unallocated Group overhead costs and eliminations in the reporting period were EUR –6.0 million (–4.4), representing 1.2 percent of sales (0.9).

ADMINISTRATION

The Annual General Meeting of Konecranes Plc was held on March 21, 2013. The meeting approved the Company's annual accounts for the fiscal year 2012 and discharged the members of the Board of Directors and Managing Director from liability. The AGM approved the Board's proposal that a dividend of EUR 1.05 per share will be paid from the distributable assets of the parent company.

The AGM approved the proposal of the Nomination and Compensation Committee that the number of the members of the Board of Directors shall be eight (8). The Board members elected at the AGM in 2013 are Mr. Svante Adde, Mr. Stig Gustavson, Mr. Tapani Järvinen, Mr. Matti Kavetvuo, Ms. Nina Kopola, Mr. Bertel Langenskiöld, Ms. Malin Persson, and Mr. Mikael Silvennoinen.

The AGM confirmed the annual compensation to the Board members as per following:

- Chairman of the Board: EUR 105,000
- Vice Chairman of the Board: EUR 67,000
- Other Board members EUR 42,000

In addition, a compensation of EUR 1,500 per meeting will be paid for attending Board Committee meetings. The Chairman of the Audit Committee is, however, entitled to a compensation of EUR 3,000 per attended Audit Committee meeting. Furthermore, the AGM approved that 50 per cent of the annual remuneration will be paid in Konecranes shares.

The AGM confirmed that Ernst & Young Oy will continue as the Company's external auditor.

The AGM authorized the Board of Directors to decide on the repurchase of the Company's own shares and/or on the acceptance as pledge of the Company's own shares. The amount of own shares to be repurchased and/or accepted as pledge based on this authorization shall not exceed 6,000,000 shares in total, which corresponds to approximately 9.5 per cent of all the shares in the Company. The authorization is effective until the end of the next Annual General Meeting, however, no longer than until September 21, 2014.

The AGM authorized the Board of Directors to decide on the issuance of shares as well as the issuance of special rights entitling to shares referred to in Chapter 10 Section 1 of the Finnish Companies Act. The amount of shares to be issued based on this authorization shall not exceed 6,000,000 shares, which corresponds to approximately 9.5 per cent of all the shares in the Company. The authorization can also be used for incentive arrangements, however, not more than 700,000 shares in total together with the authorization in the following paragraph. The authorization is effective until the end of the next Annual General Meeting, however, no longer than until September 21, 2014. However, the authorization for incentive arrangements is valid until March 21, 2018. This authorization revokes the authorization for incentive arrangements given by the Annual General Meeting 2012.

The AGM authorized the Board of Directors to decide on the transfer of the Company's own shares. The authorization is limited to a maximum of 6,000,000 shares, which corresponds to approximately 9.5 per cent of all the shares in the Company. The authorization can also be used for incentive arrangements, however, not more than 700,000 shares in total together with the authorization in the previous paragraph. This authorization is effective until the next Annual General Meeting of Shareholders, however, no longer than until September 21, 2014. However, the authorization for incentive arrangements is valid until March 21, 2018. This authorization revokes the authorization for incentive arrangements given by the Annual General Meeting 2012.

The AGM authorized the Board of Directors to decide on a directed share issue without payment needed for the implementation of the Share Savings Plan, which the Annual General Meeting 2012 decided to launch.

The Board of Directors is authorized to decide on the issue of new shares or on the transfer of own shares held by the Company to such participants in the Plan who, according to the terms and conditions of the Plan, are entitled to receive free shares, as well as to decide on the share issue without payment also to the Company itself. The number of new shares to be issued or own shares held by the Company to be transferred may be a maximum total number of 500,000 shares, which corresponds to 0.8 per cent of all of the Company's shares. The authorization concerning the share issue is valid until March 21, 2018. This authorization is in addition to the authorizations in the previous items. This authorization replaces the authorization for the Share Savings Plan given by the Annual General Meeting 2012.

In its first meeting held after the Annual General Meeting, the Board of Directors elected Mr. Stig Gustavson to continue as Chairman. Mr. Svante Adde was elected Chairman of the Audit Committee, and Mr. Tapani Järvinen, Ms. Malin Persson and Mr. Mikael Silvennoinen as Committee members. Mr. Bertel Langenskiöld was elected Chairman of the Nomination and Compensation Committee and Mr. Stig Gustavson, Mr. Matti Kavetvuo and Ms. Nina Kopola were elected as Committee members.

With the exception of Mr. Stig Gustavson, the Board members are deemed to be independent of the company under the Finnish Corporate Governance Code. Mr. Gustavson is deemed dependent of the company based on the Board's overall evaluation relating to his former and current positions in Konecranes combined with his substantial voting rights in the Company.

With the exception of Mr. Bertel Langenskiöld, the Board members are independent of the significant shareholders of the company. Mr. Langenskiöld is not independent of the significant shareholders of the company based on his current position as the Managing Director of Hartwall Capital Oy Ab. HTT KCR Holding Oy Ab holds more than 10 percent of the Konecranes Plc's shares and votes. HTT KCR Holding Oy Ab is a subsidiary of Hartwall Capital Oy Ab. In addition, HTT KCR Holding Oy Ab, K. Hartwall Invest Oy Ab, Fyrklöver-Invest Oy Ab and Ronnas Invest AG will in practice co-operate in the matters concerning their ownership in Konecranes Plc.

SHARE CAPITAL AND SHARES

On March 31, 2013 the company's registered share capital totaled EUR 30.1 million. On March 31, 2013, the number of shares including treasury shares totaled 63,272,342. On March 31, 2013, Konecranes Plc was in possession of 5,545,000 own shares, which corresponds to 8.8 percent of the total number of shares and which had on that date a market value of EUR 142.8 million.

All shares carry one vote per share and equal rights to dividends.

SHARES SUBSCRIBED FOR UNDER STOCK OPTION RIGHTS

In January–March, 436,032 treasury shares were transferred to the subscribers, pursuant to the Konecranes Plc's stock options 2009A.

At end-March 2013, Konecranes Plc's stock options 2009 entitled the holders to subscribe to a total of 1,620,629 shares. The option programs include approximately 200 company's key persons.

The terms and conditions of the stock option programs are available on the Konecranes' website at www.konecranes.com.

EMPLOYEE SHARE SAVINGS PLAN

On the basis of interest shown by the Group employees, the Board decided to launch a new plan period. The new plan period will begin on July 1, 2013 and will end on June 30, 2014. The maximum savings amount per participant during one month is 5 percent of the gross salary and the minimum is EUR 10.

Each participant will receive one free matching share for every two acquired savings shares. Matching shares will be delivered to a participant if the participant holds the acquired shares from the plan period until the end of the designated holding period, February 15, 2017, and if his or her employment has not ended before this date for the reasons related to the employee. The total amount of all savings of the commencing plan period may not exceed EUR 8.5 million.

PERFORMANCE SHARE PLAN

The Board of Directors resolved to amend the performance share plan launched in 2012 so that the two three-year discretionary periods 2013—2015 and 2014—2016 will follow the discretionary periods started in 2012. The performance criterion for the discretionary period 2013–2015 is the cumulative Earnings per Share (EPS) of the fiscal years 2013—2015.

The target group of the plan consists of approximately 150 people during the discretionary period 2013—2015. The rewards to be paid on the basis of the discretionary period correspond to the value of an approximate maximum total number of 700,000 Konecranes Plc shares. If the targets determined by the Board of Directors are achieved, the reward payout may be a half of the maximum reward. The maximum reward payout requires that the targets are clearly exceeded.

MARKET CAPITALIZATION AND TRADING VOLUME

The closing price for Konecranes Plc's shares on the NASDAQ OMX Helsinki on March 28, 2013 was EUR 25.75. The volume-weighted average share price in January–March 2013 was EUR 26.68, the highest price being EUR 28.89 in February and the lowest EUR 24.37 in February. In January–March, the trading volume on the NASDAQ OMX Helsinki totaled 16.0 million Konecranes Plc's shares corresponding to a turnover of approximately EUR 425.9 million. The average daily trading volume was 257,492 shares representing an average daily turnover of EUR 6.9 million.

In addition, according to Fidessa, approximately 15.0 million Konecranes' shares were traded on other trading venues (e.g. multilateral trading facilities and bilateral OTC trades) in January–March 2013.

On March 28, 2013, the total market capitalization of Konecranes Plc's shares was EUR 1,629 million including treasury shares. The market capitalization was EUR 1,486 million excluding treasury shares.

REALLOCATION OF RESOURCES WITHIN BUSINESS AREA EQUIPMENT

On January 3, 2013, Konecranes announced that Konecranes Business Area Equipment has initiated actions to align operations closer to the customers as a result of the new equipment demand moving toward emerging markets.

These actions will affect approximately 140 employees globally. Konecranes incurred restructuring costs of EUR 10.0 million due to these actions, EUR 5.8 million of which were recognized in the fourth quarter of 2012 and EUR 4.3 million of which were recognized in the first quarter of 2013. The total cash flow impact of these restructuring costs will be approximately EUR 5 million. With these planned actions, Konecranes targets annual cost savings of approximately EUR 10 million starting from the second half of 2013 onward.

RISKS AND UNCERTAINTIES

Principal short-term risks and uncertainties of the Group derive from a potential renewed downturn in the world economy due, for example, to the sovereign credit crisis. A decrease in the demand for Konecranes' products and services may have a negative effect on the Group's pricing power and may result in a decrease in profits, possible impairment of goodwill and other assets, or in inventory obsolescence.

A renewed shortage of credit may cause difficulties for Konecranes' customers, suppliers and financial and other counterparties. The risk may be realized as a shortage of supplies or defaulting liabilities. A growing share of Konecranes' business is derived from the emerging markets. This has had a negative impact on the aging structure of accounts receivable, and may increase the need for higher provisions for doubtful accounts.

Challenges in financing may force customers to postpone projects or even to cancel existing orders. A renewed downturn in the world economy could increase postponement of deliveries and cancellations of orders. Advance payments are an integral part of the Konecranes' project business and they have played a crucial role in mitigating the adverse effects from postponements of certain deliveries and minor cancellations. Konecranes intends to avoid incurring costs of major projects under construction in excess of advance payments. However, it is possible that in some projects cost-related commitments may temporarily exceed the amount of advance payments.

Group's other risks have remained unchanged and the pivotal risks are presented in the Annual Report.

MARKET OUTLOOK

Demand is expected to be stable or slightly higher among industrial customers. The demand within port customers, is expected to be stable. However, due to the timing of large port crane projects, the quarterly Equipment order intake may fluctuate.

FINANCIAL GUIDANCE

Based on the offer base and the near-term demand outlook, the year 2013 sales are expected to be stable or slightly higher than in 2012. We expect the 2013 operating profit to improve from 2012.

Helsinki, April 24, 2013
Konecranes Plc
Board of Directors

Disclaimer

It should be noted that certain statements in this report, which are not historical facts, including, without limitation, those regarding

- expectations for general economic development and market situation,
- expectations for general developments in the industry,
- expectations regarding customer industry profitability and investment willingness,
- expectations for company growth, development and profitability,
- expectations regarding market demand for the company's products and services,
- expectations regarding the successful completion of acquisitions on a timely basis and Konecranes' ability to achieve the set targets and synergies,
- expectations regarding competitive conditions,
- expectations regarding cost savings,
- and statements preceded by "believes," "expects," "anticipates," "foresees" or similar expressions, are forward-looking statements. These statements are based on current expectations, decisions and plans and currently known facts. Therefore, they involve risks and uncertainties, which may cause actual results to materially differ from the results currently expected by the company. Such factors include, but are not limited to, general economic conditions, including fluctuations in exchange rates and interest levels,
- the competitive situation, especially significant products or services developed by our competitors,
- industry conditions,
- the company's own operating factors, including the success of production, product development, project management, quality, and timely delivery of our products and services and their continuous development,
- the success of pending and future acquisitions and restructurings.

SUMMARY FINANCIAL STATEMENTS AND NOTES

Accounting principles

The presented financial information is prepared in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the EU.

The introduction of IFRS 11 reclassified one company as joint operation and did not have material impact on financial statements. The standard is adopted retroactively. IFRS 11 uses the principle of control as described in IFRS 10 to define joint control. Joint Arrangements are classified into Joint Operations and Joint Ventures. In Joint Operations the parties with joint control have rights to the assets and obligations for the liabilities of the arrangement. Joint Operations are accounted for showing each party's interest in the assets, liabilities, revenues and expenses and / or its relative share of jointly controlled assets, liabilities, revenue and expense, if any. In Joint Ventures the parties with joint control have rights to the net assets of the arrangement. Joint Ventures are accounted for using the equity method.

In 2012 the change increased sales by EUR 1.3 million, depreciation by EUR 0.8 million, other operating expenses by EUR 0,1 million, operating profit by EUR 0.4 million and net profit by EUR 0.1 million. In balance sheet the change mainly increased the retained earnings of 2012 by EUR 2.6 million (EUR 2.4 million in 2011), and increased the short term liabilities by EUR 9.8 million, fixed assets by EUR 5.5 million and inventories by 7.0 million. Prior periods are restated in the Group and in the Equipment business segment.

The figures presented in the tables below have been rounded to one decimal, which should be taken into account when reading the sum figures.

The numbers stated in this bulletin have not been subject to audit.

CONSOLIDATED STATEMENT OF INCOME

EUR million	1–3/2013	1–3/2012	Change percent	1–12/2012
Sales	**495.9**	**474.0**	**4.6**	**2,171.5**
Other operating income	0.5	0.7		2.3
Depreciation and impairments	-10.4	-9.7		-44.4
Other operating expenses	-467.1	-441.0		-1,996.9
Operating profit	**18.8**	**24.0**	**-21.5**	**132.5**
Share of associates' and joint ventures' result	0.6	0.6		3.8
Financial income and expenses	-3.9	-4.1		-12.1
Profit before taxes	**15.5**	**20.5**	**-24.2**	**124.2**
Taxes	-4.6	-6.1		-39.4
NET PROFIT FOR THE PERIOD	**10.9**	**14.4**	**-24.2**	**84.8**
Net profit for the period attributable to:				
Shareholders of the parent company	10.8	14.1		84.2
Non-controlling interest	0.1	0.2		0.7
Earnings per share, basic (EUR)	0.19	0.25	-23.5	1.47
Earnings per share, diluted (EUR)	0.19	0.25	-23.4	1.46

Consolidated statement of comprehensive income

EUR million	1–3/2013	1–3/2012		1–12/2012
Net profit for the period	**10.9**	**14.4**		**84.8**
Items that can be reclassified into profit or loss				
Cash flow hedges	-3.5	2.5		2.0
Exchange differences on translating foreign operations	8.0	-3.2		-1.1
Income tax relating to items that can be reclassified into profit or loss	0.9	-0.6		-0.5
Items that cannot be reclassified into profit or loss				
Actuarial gains and losses (IAS 19)	0.0	-0.4		-11.7
Income tax relating to items that cannot be reclassified into profit or loss	0.0	-0.1		3.1
Other comprehensive income for the period, net of tax	**5.4**	**-1.9**		**-8.1**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**16.2**	**12.5**		**76.7**
Total comprehensive income attributable to:				
Shareholders of the parent company	16.0	12.4		76.1
Non-controlling interest	0.2	0.0		0.6

CONSOLIDATED BALANCE SHEET

EUR million

ASSETS	31.3.2013	31.3.2012	31.12.2012
Non-current assets			
Goodwill	113.3	115.8	112.8
Intangible assets	75.4	77.2	76.6
Property, plant and equipment	149.6	133.0	138.7
Advance payments and construction in progress	52.9	44.7	57.6
Investments accounted for using the equity method	38.2	35.1	37.5
Available-for-sale investments	0.9	0.9	0.9
Long-term loans receivable	0.2	0.2	0.2
Deferred tax assets	54.3	49.8	53.8
Total non-current assets	**484.8**	**456.7**	**478.2**
Current assets			
Inventories			
Raw material and semi-manufactured goods	161.8	158.5	167.1
Work in progress	190.2	209.3	180.7
Advance payments	21.5	24.9	22.0
Total inventories	373.5	392.7	369.8
Accounts receivable	385.6	378.0	442.1
Loans receivable	0.1	0.2	0.1
Other receivables	30.5	33.8	29.2
Current tax assets	15.2	11.1	11.3
Deferred assets	133.4	122.0	100.2
Cash and cash equivalents	217.4	108.7	145.3
Total current assets	**1,155.6**	**1,046.6**	**1,098.1**
TOTAL ASSETS	**1,640.4**	**1,503.3**	**1,576.3**

CONSOLIDATED BALANCE SHEET

EUR million

EQUITY AND LIABILITIES	**31.3.2013**	**31.3.2012**	**31.12.2012**
Equity attributable to equity holders of the parent company			
Share capital	30.1	30.1	30.1
Share premium account	39.3	39.3	39.3
Fair value reserves	-4.0	-1.1	-1.4
Translation difference	10.3	0.5	2.5
Paid in capital	49.9	43.7	44.8
Retained earnings	281.6	262.2	257.1
Net profit for the period	10.8	14.1	84.2
Total equity attributable to equity holders of the parent company	**417.9**	**388.8**	**456.5**
Non-controlling interest	6.4	5.6	6.2
Total equity	**424.3**	**394.4**	**462.6**
Liabilities			
Non-current liabilities			
Interest-bearing liabilities	206.9	126.2	205.7
Other long-term liabilities	78.2	63.5	75.2
Deferred tax liabilities	21.1	25.6	22.3
Total non-current liabilities	**306.2**	**215.3**	**303.2**
Provisions	**46.8**	**50.8**	**44.5**
Current liabilities			
Interest-bearing liabilities	165.7	204.7	121.8
Advance payments received	228.4	199.4	217.2
Progress billings	1.9	3.0	2.5
Accounts payable	149.5	144.8	157.4
Other short-term liabilities (non-interest bearing)	27.6	29.0	30.2
Current tax liabilities	20.1	9.0	21.1
Accruals	270.0	252.9	215.9
Total current liabilities	**863.0**	**842.8**	**766.0**
Total liabilities	**1,216.1**	**1,109.0**	**1,113.6**
TOTAL EQUITY AND LIABILITIES	**1,640.4**	**1,503.3**	**1,576.3**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity attributable to equity holders of the parent company			
EUR million	Share capital	Share premium account	Cash flow hedges	Translation difference
Balance at 1 January, 2013	**30.1**	**39.3**	**-1.4**	**2.5**
Options exercised				
Dividends paid to equity holders				
Share based payments recognized against equity				
Total comprehensive income			-2.7	7.8
Balance at 31 March, 2013	**30.1**	**39.3**	**-4.0**	**10.3**
Balance at 1 January, 2012 reported	**30.1**	**39.3**	**-2.9**	**3.5**
Changes in accounting principles (IFRS 11)				
Balance at 1 January, 2012 amended	**30.1**	**39.3**	**-2.9**	**3.5**
Options exercised				
Dividends paid to equity holders				
Share based payments recognized against equity				
Total comprehensive income			1.9	-3.0
Balance at 31 March, 2012	**30.1**	**39.3**	**-1.1**	**0.5**

	Equity attributable to equity holders of the parent company				
EUR million	Paid in capital	Retained earnings	Total	Non-controlling interest	Total equity
Balance at 1 January, 2013	**44.8**	**341.2**	**456.5**	**6.2**	**462.6**
Options exercised	5.1	0.0	5.1		**5.1**
Dividends paid to equity holders		-60.6	-60.6		**-60.6**
Share based payments recognized against equity		0.9	0.9		**0.9**
Business combinations		0.0	0.0		**0.0**
Total comprehensive income		10.8	16.0	0.2	**16.2**
Balance at 31 March, 2013	**49.9**	**292.4**	**417.9**	**6.4**	**424.3**
Balance at 1 January, 2012 reported	**43.7**	**316.2**	**429.9**	**5.5**	**435.4**
Changes in accounting principles (IFRS 11)		2.4	2.4		**2.4**
Balance at 1 January, 2012 amended	**43.7**	**318.7**	**432.3**	**5.5**	**437.8**
Options exercised		0.0	0.0		**0.0**
Dividends paid to equity holders		-57.2	-57.2		**-57.2**
Share based payments recognized against equity		1.3	1.3		**1.3**
Business combinations		-0.1	-0.1		**-0.1**
Total comprehensive income		13.6	12.4	0.0	**12.5**
Balance at 31 March, 2012	**43.7**	**276.3**	**388.8**	**5.6**	**394.4**

CONSOLIDATED CASH FLOW STATEMENT

EUR million	1–3/2013	1–3/2012	1–12/2012
Cash flow from operating activities			
Net income	10.9	14.4	84.8
Adjustments to net income			
Taxes	4.6	6.1	39.4
Financial income and expenses	3.9	4.1	12.1
Share of associates' and joint ventures' result	-0.6	-0.6	-3.8
Dividend income	0.0	0.0	-0.1
Depreciation and impairments	10.4	9.7	44.4
Profits and losses on sale of fixed assets	0.2	0.0	-0.1
Other adjustments	0.5	0.8	3.5
Operating income before change in net working capital	**30.0**	**34.5**	**180.2**
Change in interest-free short-term receivables	30.3	30.3	-4.9
Change in inventories	2.8	-44.3	-19.3
Change in interest-free short-term liabilities	-19.1	5.6	52.4
Change in net working capital	**14.0**	**-8.4**	**28.2**
Cash flow from operations before financing items and taxes	**44.0**	**26.0**	**208.4**
Interest received	0.9	1.9	5.9
Interest paid	-3.3	-3.9	-15.1
Other financial income and expenses	0.7	-2.2	-5.4
Income taxes paid	-10.1	-9.8	-35.2
Financing items and taxes	**-11.8**	**-14.0**	**-49.8**
NET CASH FROM OPERATING ACTIVITIES	**32.2**	**12.0**	**158.6**
Cash flow from investing activities			
Acquisition of Group companies, net of cash	-0.8	-1.5	-7.1
Capital expenditures	-10.6	-13.1	-59.3
Proceeds from sale of fixed assets	0.1	1.7	2.4
Dividends received	0.0	0.0	0.2
NET CASH USED IN INVESTING ACTIVITIES	**-11.3**	**-12.8**	**-63.8**
Cash flow before financing activities	**20.9**	**-0.8**	**94.7**
Cash flow from financing activities			
Proceeds from options exercised and share issues	5.1	0.0	1.1
Proceeds from long-term borrowings	1.0	0.0	79.8
Repayments of long-term borrowings	0.0	-2.4	0.0
Proceeds from (+), payments of (-) short-term borrowings	42.5	38.9	-46.9
Change in long-term receivables	0.0	0.0	0.0
Change in short-term receivables	0.0	0.1	0.3
Dividends paid to equity holders of the parent	0.0	0.0	-57.2
NET CASH USED IN FINANCING ACTIVITIES	**48.6**	**36.6**	**-22.9**
Translation differences in cash	2.5	-0.6	0.0
CHANGE OF CASH AND CASH EQUIVALENTS	**72.0**	**35.2**	**71.8**
Cash and cash equivalents at beginning of period	145.3	73.5	73.5
Cash and cash equivalents at end of period	217.4	108.7	145.3
CHANGE OF CASH AND CASH EQUIVALENTS	**72.0**	**35.2**	**71.8**

The effect of changes in exchange rates has been eliminated by converting the beginning balance at the rates current on the last day of the reporting period.

FREE CASH FLOW

EUR million	1–3/2013	1–3/2012	1–12/2012
Net cash from operating activities	32.2	12.0	158.6
Capital expenditures	-10.6	-13.1	-59.3
Proceeds from sale of fixed assets	0.1	1.7	2.4
Free cash flow	**21.7**	**0.7**	**101.6**

SEGMENT INFORMATION

1. BUSINESS SEGMENTS

EUR million

Orders received by Business Area	1–3/2013	% of total	1–3/2012	% of total	1–12/2012	% of total
Service [1]	186.0	31	187.6	31	735.0	35
Equipment	423.2	69	372.1	61	1,340.4	65
./. Internal	-26.6		-25.2		-105.2	
Total	**582.5**	**100**	**534.6**	**92**	**1,970.1**	**100**

[1] *Excl. Service Contract Base*

Order book total [2]	31.3.2013	% of total	31.3.2012	% of total	31.12.2012	% of total
Service	170.0	16	146.7	14	147.2	16
Equipment	914.0	84	928.9	86	795.6	84
./. Internal	0.0		0.0		0.0	
Total	**1,084.0**	**100**	**1,075.6**	**99**	**942.7**	**100**

[2] *Percentage of completion deducted*

Sales by Business Area	1–3/2013	% of total	1–3/2012	% of total	1–12/2012	% of total
Service	208.4	40	205.8	41	884.0	38
Equipment	315.9	60	293.4	59	1,412.7	62
./. Internal	-28.3		-25.2		-125.3	
Total	**495.9**	**100**	**474.0**	**100**	**2,171.5**	**100**

Operating profit (EBIT) by Business Area excluding restructuring costs	1–3/2013 MEUR	EBIT %	1–3/2012 MEUR	EBIT %	1–12/2012 MEUR	EBIT %
Service	15.8	7.6	12.6	6.1	74.6	8.4
Equipment	13.3	4.2	15.7	5.4	84.2	6.0
Group costs and eliminations	-6.0		-4.4		-20.5	
Total	**23.1**	**4.7**	**24.0**	**5.1**	**138.3**	**6.4**

Operating profit (EBIT) by Business Area including restructuring costs	1–3/2013 MEUR	EBIT %	1–3/2012 MEUR	EBIT %	1–12/2012 MEUR	EBIT %
Service	15.8	7.6	12.6	6.1	74.6	8.4
Equipment	9.1	2.9	15.7	5.4	78.4	5.5
Group costs and eliminations	-6.0		-4.4		-20.5	
Total	**18.8**	**3.8**	**24.0**	**5.1**	**132.5**	**6.1**

SEGMENT INFORMATION

Capital Employed and ROCE%	31.3.2013 MEUR		31.3.2012 MEUR		31.12.2012 MEUR	ROCE %
Service	161.8		184.0		166.6	41.8
Equipment	374.0		448.0		406.2	18.8
Unallocated Capital Employed	261.1		90.7		214.5	
Total	**796.9**		**722.7**		**787.4**	**18.4**

Personnel by Business Area (at the end of the period)	31.3.2013	% of total	31.3.2012	% of total	31.12.2012	% of total
Service	6,241	52	5,981	50	6,119	50
Equipment	5,782	48	5,714	47	5,973	49
Group staff	58	0	61	1	55	0
Total	**12,081**	**100**	**11,756**	**97**	**12,147**	**100**

2. GEOGRAPHICAL SEGMENTS

EUR million

Sales by market	1–3/2013	% of total	1–3/2012	% of total	1–12/2012	% of total
Europe-Middle East-Africa (EMEA)	222.9	45	230.1	46	1,043.7	48
Americas (AME)	191.0	39	148.7	30	721.0	33
Asia-Pacific (APAC)	82.0	17	95.2	19	406.9	19
Total	**495.9**	**100**	**474.0**	**96**	**2,171.5**	**100**

Personnel by region (at the end of the period)	31.3.2013	% of total	31.3.2012	% of total	31.12.2012	% of total
Europe-Middle East-Africa (EMEA)	6,301	52	6,164	51	6,269	52
Americas (AME)	2,708	22	2,546	21	2,724	22
Asia-Pacific (APAC)	3,072	25	3,046	25	3,154	26
Total	**12,081**	**100**	**11,756**	**97**	**12,147**	**100**

NOTES

KEY FIGURES	31.3.2013	31.3.2012	Change %	31.12.2012
Earnings per share, basic (EUR)	0.19	0.25	-23.5	1.47
Earnings per share, diluted (EUR)	0.19	0.25	-23.4	1.46
Return on capital employed %, Rolling 12 Months (R12M)	17.8	19.0	-6.3	18.4
Return on equity %, Rolling 12 Months (R12M)	19.9	18.3	8.7	18.8
Equity per share (EUR)	7.24	6.80	6.5	7.97
Current ratio	1.3	1.2	8.3	1.4
Gearing %	36.5	56.2	-35.1	39.3
Solidity %	30.0	30.2	-0.7	34.0
EBITDA, EUR million	29.2	33.7	-13.3	176.8
Investments total (excl. acquisitions), EUR million	15.8	8.4	89.1	41.7
Interest-bearing net debt, EUR million	155.0	221.7	-30.1	181.8
Net working capital, EUR million	227.2	273.0	-16.8	295.5
Average number of personnel during the period	12,114	11,704	3.5	11,917
Average number of shares outstanding, basic	57,360,808	57,198,971	0.3	57,227,652
Average number of shares outstanding, diluted	57,643,376	57,525,053	0.2	57,516,909
Number of shares outstanding	57,727,342	57,198,971	0.9	57,291,310

Interest-bearing net debt: Interest-bearing liabilities (non current and current) - cash and cash equivalents - loans receivable (non current and current)

Net working capital: Non interest-bearing current assets + deferred tax assets - Non interest-bearing current liabilities - deferred tax liabilities - provisions

NOTES

The period end exchange rates*:	28.3.2013	30.3.2012	Change %	31.12.2012
USD - US dollar	1.281	1.336	4.3	1.319
CAD - Canadian dollar	1.302	1.331	2.2	1.314
GBP - Pound sterling	0.846	0.834	-1.4	0.816
CNY - Chinese yuan	7.960	8.409	5.6	8.221
SGD - Singapore dollar	1.590	1.678	5.5	1.611
SEK - Swedish krona	8.355	8.846	5.9	8.582
NOK - Norwegian krone	7.512	7.604	1.2	7.348
AUD - Australian dollar	1.231	1.284	4.3	1.271

The period average exchange rates*:	28.3.2013	30.3.2012	Change %	31.12.2012
USD - US dollar	1.321	1.311	-0.7	1.285
CAD - Canadian dollar	1.331	1.313	-1.4	1.284
GBP - Pound sterling	0.851	0.835	-1.9	0.811
CNY - Chinese yuan	8.221	8.272	0.6	8.106
SGD - Singapore dollar	1.635	1.657	1.4	1.605
SEK - Swedish krona	8.497	8.853	4.2	8.702
NOK - Norwegian krone	7.429	7.586	2.1	7.475
AUD - Australian dollar	1.271	1.242	-2.3	1.240

**Konecranes applies a weekly calendar in its financial reporting. The presented exchange rates are determined by rates on the last Friday of the period.*

CONTINGENT LIABILITIES AND PLEDGED ASSETS

EUR million	31.3.2013	31.3.2012	31.12.2012
For own commercial obligations			
Guarantees	335.6	338.2	349.5
Leasing liabilities			
Next year	31.3	30.8	33.0
Later on	67.3	69.0	68.8
Other	1.4	0.0	1.4
Total	**435.7**	**438.0**	**452.6**

Leasing contracts comply with normal practices in the countries concerned.

Contingent liabilities relating to litigation

Various legal actions, claims and other proceedings are pending against the Group in various countries. These actions, claims and other proceedings are typical for this industry and consistent with a global business offering that encompasses a wide range of products and services. These matters involve contractual disputes, warranty claims, product liability (including design defects, manufacturing defects, failure to warn and asbestos legacy), employment, vehicles and other matters involving claims of general liability.

While the final outcome of these matters cannot be predicted with certainty Konecranes is of the opinion, based on the information available to date and considering the grounds presented for such claims, the available insurance coverage and the reserves made, that the outcome of such actions, claims and other proceedings, if unfavorable, would not have a material, adverse impact on the financial condition of the Group.

NOTES

NOMINAL AND FAIR VALUES OF DERIVATIVE FINANCIAL INSTRUMENTS

EUR million	31.3.2013 Nominal value	31.3.2013 Fair value	31.3.2012 Nominal value	31.3.2012 Fair value	31.12.2012 Nominal value	31.12.2012 Fair value
Foreign exchange forward contracts	646.9	-6.6	454.1	0.3	504.8	3.4
Currency options	37.6	-0.1	12.1	0.0	19.7	0.0
Interest rate swaps	100.0	-2.6	100.0	-1.7	100.0	-3.0
Electricity derivatives	2.8	-0.2	2.2	-0.2	1.9	-0.2
Total	**787.3**	**-9.5**	**568.4**	**-1.6**	**626.5**	**0.3**

Derivatives are used for hedging currency and interest rate risks, as well as the risk of electricity price fluctuations. The Company applies hedge accounting on the derivatives used to hedge cash flows in large projects in Business Area Equipment and to interest rates of certain long-term loans.

IFRS 7 requires that the classification of financial instruments at fair value be determined by reference to the source of inputs used to derive the fair value. This classification uses the following three-level hierarchy:

- Level 1 - quoted prices in active markets for identical financial instruments
- Level 2 - inputs other than quoted prices included within level 1 that are observable for the financial instrument, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3 - inputs for the financial instrument that are not based on observable market data (unobservable inputs)

Classification of financial instruments within the IFRS 7 fair value hierarchy: level 2 for all values as at 31 March 2013.

CARRYING AMOUNT OF FINANCIAL INSTRUMENTS AT FAIR VALUE IN THE BALANCE SHEET

EUR million	31.3.2013	31.3.2012	31.12.2012
Derivative instruments included in deferred assets	3.3	3.6	7.1
Derivative instruments included in other long-term liabilities	2.6	2.3	3.2
Derivative instruments included in accruals	10.4	2.9	3.7

NOTES

ACQUISITIONS

Konecranes completed one small acquisition in crane service business during January–March 2013 when it acquired service business assets and operations of S.E.T.E.M in Bordeaux, France.

The fair values of the identifiable assets and liabilities of the acquired business at the date of acquisition are summarized below.

EUR million	31.3.2013 Recognized on acquisition	31.3.2013 Fair value adjustments	31.3.2013 Acquired carrying value
Intangible assets			
Clientele	1.4	1.4	0.0
Technology	0.0	0.0	0.0
Other intangible assets	0.0	0.0	0.0
Property, plant and equipment	0.0	0.0	0.0
Inventories	0.0	0.0	0.0
Account receivables and other assets	0.0	0.0	0.0
Cash and cash equivalents	0.0	0.0	0.0
Total assets	**1.5**	**1.4**	**0.0**
Deferred tax liabilities	0.5	0.5	0.0
Long- and short-term interest bearing debts	0.0	0.0	0.0
Account payables and other current liabilities	0.0	0.0	0.0
Total liabilities	**0.5**	**0.5**	**0.0**
Net assets	**1.0**	**1.0**	**0.0**
Purchase consideration transferred	**1.0**		
Goodwill	**0.0**		
Cash outflow on acquisition			
Purchase consideration, paid in cash	0.8		
Transactions costs*	0.0		
Cash and cash equivalents in acquired companies	0.0		
Net cash flow arising on acquisition	**0.8**		
Purchase consideration:			
Purchase consideration, paid in cash	0.8		
Purchase consideration, liabilities assumed	0.2		
Contingent consideration liability	0.0		
Total purchase consideration	**1.0**		

**Transaction costs of EUR 0.0 million have been expensed and are included in other operating expenses.*

QUARTERLY FIGURES

CONSOLIDATED STATEMENT OF INCOME, QUARTERLY

EUR million	Q1/2013	Q4/2012	Q3/2012	Q2/2012	Q1/2012
Sales	**495.9**	**605.1**	**529.8**	**562.5**	**474.0**
Other operating income	0.5	0.6	0.3	0.6	0.7
Depreciation and impairments	-10.2	-10.7	-10.2	-10.9	-9.7
Restructuring costs	-4.3	-5.8	0.0	0.0	0.0
Other operating expenses	-463.0	-552.9	-483.0	-517.2	-441.0
Operating profit	**18.8**	**36.4**	**37.0**	**35.1**	**24.0**
Share of associates' and joint ventures' result	0.6	1.5	0.1	1.7	0.6
Financial income and expenses	-3.9	-4.2	0.0	-3.8	-4.1
Profit before taxes	**15.5**	**33.7**	**37.1**	**32.9**	**20.5**
Taxes	-4.6	-11.4	-12.0	-9.8	-6.1
Net profit for the period	**10.9**	**22.3**	**25.0**	**23.1**	**14.4**

CONSOLIDATED BALANCE SHEET, QUARTERLY

EUR million

ASSETS	Q1/2013	Q4/2012	Q3/2012	Q2/2012	Q1/2012
Goodwill	113.3	112.8	116.2	116.0	115.8
Intangible assets	75.4	76.6	73.9	77.8	77.2
Property, plant and equipment	149.6	138.7	137.2	136.8	133.0
Other	146.4	150.0	150.9	135.3	130.7
Total non-current assets	**484.8**	**478.2**	**478.1**	**465.8**	**456.7**
Inventories	373.5	369.8	420.0	398.4	392.7
Receivables and other current assets	564.7	582.9	634.7	585.3	545.3
Cash and cash equivalents	217.4	145.3	112.0	167.9	108.7
Total current assets	**1,155.6**	**1,098.1**	**1,166.6**	**1,151.6**	**1,046.6**
Total assets	**1,640.4**	**1,576.3**	**1,644.7**	**1,617.5**	**1,503.3**

EQUITY AND LIABILITIES	Q1/2013	Q4/2012	Q3/2012	Q2/2012	Q1/2012
Total equity	**424.3**	**462.6**	**450.8**	**427.8**	**394.4**
Non-current liabilities	306.2	303.2	294.4	290.6	215.3
Provisions	46.8	44.5	48.3	48.7	50.8
Advance payments received	228.4	217.2	286.5	197.6	199.4
Other current liabilities	634.7	548.9	564.7	652.8	643.4
Total liabilities	**1,216.1**	**1,113.6**	**1,193.9**	**1,189.6**	**1,109.0**
Total equity and liabilities	**1,640.4**	**1,576.3**	**1,644.7**	**1,617.5**	**1,503.3**

QUARTERLY FIGURES

CONSOLIDATED CASH FLOW STATEMENT - QUARTERLY

EUR million	Q1/2013	Q4/2012	Q3/2012	Q2/2012	Q1/2012
Operating income before change in net working capital	30.0	51.4	47.8	46.6	34.5
Change in net working capital	14.0	39.5	15.5	-18.3	-8.4
Financing items and taxes	-11.8	-5.9	-18.3	-11.7	-14.0
Net cash from operating activities	**32.2**	**84.9**	**45.0**	**16.6**	**12.0**
Cash flow from investing activities	**-11.3**	**-15.7**	**-19.6**	**-15.6**	**-12.8**
Cash flow before financing activities	**20.9**	**69.2**	**25.4**	**1.0**	**-0.8**
Proceeds from options exercised and share issues	5.1	0.4	0.3	0.4	0.0
Change of interest-bearing debt	43.6	-35.1	-81.1	112.8	36.6
Dividends paid to equity holders of the parent	0.0	0.0	0.0	-57.2	0.0
Net cash used in financing activities	**48.6**	**-34.7**	**-80.8**	**56.0**	**36.6**
Translation differences in cash	2.5	-1.2	-0.5	2.3	-0.6
Change of cash and cash equivalents	**72.0**	**33.3**	**-55.9**	**59.2**	**35.2**
Cash and cash equivalents at beginning of period	145.3	111.8	167.7	108.7	73.5
Cash and cash equivalents at end of period	217.4	145.1	111.8	167.9	108.7
Change of cash and cash equivalents	**72.0**	**33.3**	**-55.9**	**59.2**	**35.2**
Free Cash Flow	**21.7**	**71.2**	**26.1**	**3.7**	**0.7**

QUARTERLY FIGURES

QUARTERLY SEGMENT INFORMATION

EUR million

Orders received by Business Area	Q1/2013	Q4/2012	Q3/2012	Q2/2012	Q1/2012
Service [1)]	186.0	181.3	182.4	183.7	187.6
Equipment	423.2	269.7	303.2	395.3	372.1
./. Internal	-26.6	-27.2	-27.6	-25.2	-25.2
Total	**582.5**	**423.8**	**458.0**	**553.7**	**534.6**

[1)] *Excl. Service Contract Base*

Order book by Business Area	Q1/2013	Q4/2012	Q3/2012	Q2/2012	Q1/2012
Service	170.0	147.2	154.9	155.6	146.7
Equipment	914.0	795.6	930.2	967.2	928.9
Total	**1,084.0**	**942.7**	**1,085.1**	**1,122.8**	**1,075.6**

Sales by Business Area	Q1/2013	Q4/2012	Q3/2012	Q2/2012	Q1/2012
Service	208.4	239.0	218.9	220.4	205.8
Equipment	315.9	401.6	341.6	376.1	293.4
./. Internal	-28.3	-35.5	-30.7	-33.9	-25.2
Total	**495.9**	**605.1**	**529.8**	**562.5**	**474.0**

Operating profit (EBIT) by Business Area excluding restructuring costs	Q1/2013	Q4/2012	Q3/2012	Q2/2012	Q1/2012
Service	15.8	23.8	20.8	17.4	12.6
Equipment	13.3	23.5	21.9	23.0	15.7
Group costs and eliminations	-6.0	-5.2	-5.7	-5.3	-4.4
Total	**23.1**	**42.2**	**37.0**	**35.1**	**24.0**

Operating margin, (EBIT %) by Business Area excluding restructuring costs	Q1/2013	Q4/2012	Q3/2012	Q2/2012	Q1/2012
Service	7.6%	10.0%	9.5%	7.9%	6.1%
Equipment	4.2%	5.9%	6.4%	6.1%	5.4%
Group EBIT % total	**4.7%**	**7.0%**	**7.0%**	**6.2%**	**5.1%**

QUARTERLY FIGURES

QUARTERLY SEGMENT INFORMATION

Personnel by Business Area (at the end of the period)	Q1/2013	Q4/2012	Q3/2012	Q2/2012	Q1/2012
Service	6,241	6,119	6,114	6,060	5,981
Equipment	5,782	5,973	5,936	5,805	5,714
Group staff	58	55	57	59	61
Total	**12,081**	**12,147**	**12,107**	**11,924**	**11,756**

Sales by market	Q1/2013	Q4/2012	Q3/2012	Q2/2012	Q1/2012
Europe-Middle East-Africa (EMEA)	222.9	289.4	254.3	270.0	230.1
Americas (AME)	191.0	204.5	179.1	188.6	148.7
Asia-Pacific (APAC)	82.0	111.2	96.4	104.0	95.2
Total	**495.9**	**605.1**	**529.8**	**562.5**	**474.0**

Personnel by region (at the end of the period)	Q1/2013	Q4/2012	Q3/2012	Q2/2012	Q1/2012
Europe-Middle East-Africa (EMEA)	6,301	6,269	6,263	6,190	6,164
Americas (AME)	2,708	2,724	2,653	2,630	2,546
Asia-Pacific (APAC)	3,072	3,154	3,191	3,104	3,046
Total	**12,081**	**12,147**	**12,107**	**11,924**	**11,756**

ANALYST AND PRESS BRIEFING

An analyst and press conference will be held at KÄMP Kansallissali (address Aleksanterinkatu 44 A, 2. floor) at 11.00 a.m. Finnish time. The Interim Report will be presented by Konecranes' President and CEO Pekka Lundmark and CFO Teo Ottola.

A live webcast of the conference will begin at 11.00 a.m. at www.konecranes.com. Please see the stock exchange release dated April 4, 2013 for the conference call details.

NEXT REPORT

Konecranes Plc's January–June 2013 interim report will be published on July 24, 2013.

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Konecranes is a world-leading group of Lifting Businesses™, serving a broad range of customers, including manufacturing and process industries, shipyards, ports and terminals. Konecranes provides productivity-enhancing lifting solutions as well as services for lifting equipment and machine tools of all makes. In 2012, Group sales totaled EUR 2,170 million. The Group has 12,100 employees at 626 locations in 48 countries. Konecranes is listed on the NASDAQ OMX Helsinki (symbol: KCR1V).

www.conecranes.com