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PARTS

KONECRANES®
Lifting Businesses™

Q3

Order growth both in Service and Equipment

Interim Report January–September 2010

Order growth both in Service and Equipment

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

THIRD QUARTER HIGHLIGHTS

- Order intake EUR 373.4 million (308.5), +21.0 percent: Service +22.4 percent and Equipment +16.5 percent.
- Order book EUR 679.7 million (638.4) at end-September, 6.5 percent higher than a year ago, 0.8 percent lower than at end-June 2010.
- Sales EUR 393.6 million (368.7), +6.8 percent: Service +9.9 percent and Equipment +8.2 percent.
- Operating profit EUR 34.3 million (10.2), 8.7 percent of sales (2.8). Comparison period included restructuring costs of EUR 13.9 million.
- Earnings per share (diluted) EUR 0.39 (0.08).
- Net cash flow from operating activities EUR 32.1 million (66.2).
- Net debt EUR 0.7 million (-14.9) and gearing 0.2 percent (-3.8).

JANUARY-SEPTEMBER HIGHLIGHTS

- Order intake EUR 1,058.3 million (987.7), +7.1 percent: Service +19.8 percent and Equipment –2.5 percent.
- Sales EUR 1,076.9 million (1,242.4), -13.3 percent: Service -0.1 percent and Equipment -20.6 percent.
- Operating profit before restructuring costs EUR 69.2 million (91.6), 6.4 percent (7.4) of sales.
- Restructuring costs EUR 2.7 million (15.8).
- Operating profit, including restructuring costs, EUR 66.6 million (75.8), 6.2 percent of sales (6.1).
- Earnings per share (diluted) EUR 0.80 (0.84).
- Net cash flow from operating activities EUR 26.2 million (133.2).

From this report, Konecranes separates the market outlook describing the expected demand from financial guidance.

MARKET OUTLOOK

The demand for maintenance services is expected to continue to be above last year's level due to higher capacity utilization within customer industries. The demand for new equipment is expected to remain robust in Asia-Pacific and in emerging markets in general while customers' decision-making is still conditional on the sustainability of economic growth in western Europe and North America. Price competition is likely to remain.

FINANCIAL GUIDANCE

Konecranes reiterates the previous guidance for the year 2010 for sales and operating profit:

Growing demand will support our sales and profitability already during the second half of 2010. However, due to the low first half year sales we expect full year 2010 sales to be lower than in 2009. We expect the operating profit in 2010 to be lower than in 2009 before restructuring costs.

Key figures

	Third quarter			January - September			
	7-9/ 2010	**7-9/ 2009**	**Change %**	**1-9/ 2010**	**1-9/ 2009**	**R12M**	**2009**
Orders received, MEUR	373.4	308.5	21.0	1,058.3	987.7	1,419.5	1,348.9
Order book at end of period, MEUR	679.7	638.4	6.5	679.7	638.4		607.0
Sales total, MEUR	393.6	368.7	6.8	1,076.9	1,242.4	1,505.8	1,671.3
Operating profit excluding restructuring costs, MEUR	34.3	24.0	42.5	69.2	91.6	96.5	118.8
Operating margin excluding restructuring costs, %	8.7 %	6.5 %		6.4 %	7.4 %	6.4 %	7.1 %
Operating profit including restructuring costs, MEUR	34.3	10.2	236.8	66.6	75.8	88.7	97.9
Operating margin including restructuring costs, %	8.7 %	2.8 %		6.2 %	6.1 %	5.9 %	5.9 %
Profit before taxes, MEUR	32.7	7.2	354.8	65.9	70.0	84.5	88.6
Net profit for the period, MEUR	23.0	4.2	442.8	46.3	49.1	59.6	62.5
Earnings per share, basic, EUR	0.39	0.08	389.9	0.80	0.85	1.03	1.08
Earnings per share, diluted, EUR	0.39	0.08	388.6	0.80	0.84	1.03	1.08
Gearing, %				0.2 %	-3.8 %		-19.1 %
Return on capital employed %, Rolling 12 Months (R12M)						18.8 %	19.3 %
Average number of personnel during the period				9,677	9,720		9,811

President and CEO Pekka Lundmark:

"We are pleased with most aspects of our third quarter. The market situation is slowly improving, which is visible both in the number of enquiries and orders received. Most of the signs we are receiving from our customers are encouraging, but the current situation still calls for cautiousness. Even though the recovery in delivery volumes is modest at best, we can be reasonably satisfied with our profit development. Despite being still slightly below our 10 percent EBIT margin target in the reporting quarter, we are on the right track. Particularly important is that we have been able to defend our sales margins in this fragmented industry, where there is still a lot of overcapacity. Where price erosion has occurred we have mitigated it by lower costs.

Our main strategy is to grow organically. We are increasing our R&D investments to widen our offering. We are systematically entering new markets. In acquisitions our first priority are bolt-on acquisitions to either widen our service business presence, or to further improve our equipment business position especially in emerging markets. Sanma in China and WMI in India are concrete examples of the latter. We remain convinced that a consolidation of our industry is necessary to create companies with a critical mass much needed in a globalized economy.

On September 8, 2010, we approached Demag Cranes AG with a non-binding proposal to discuss possibilities for a business combination. In our view such a combination would have a compelling industrial logic. Our approach was genuinely friendly. However, the fact that we have not succeeded in entering into discussions with Demag and the steep increase in Demag's share price since our approach have reduced the likelihood of a potential combination."

Konecranes interim report January–September 2010

Changes in reporting method

Konecranes changed its structure from the beginning of 2010 so that Business Areas Standard Lifting and Heavy Lifting were merged into one Business Area: Equipment. External segment reporting was also changed to match with the operational structure of the group. From 2010, Konecranes reports on two segments, Service and Equipment. While the number of segments was reduced from three to two, Konecranes discloses more information than before about the segments on a quarterly basis. The new information includes EBITDA, depreciation and impairments, capital employed, ROCE and capital expenditure.

To further improve the transparency of segment profitability, the allocation of Group costs into the business areas has been redefined. Previously, centralized Market Operations, procurement, R&D and IT costs were reported as unallocated group costs. From 2010 these costs are allocated to the business areas. The reporting of centralized legal, marketing & communications, finance, HR and general management costs remains unchanged and these will continue to be shown as unallocated group costs. Additionally, the reporting of elimination of internal margins (consolidation items) in inventories has changed as a result of fewer segments and internal margins within the business areas being incorporated in the operating profit of the respective business area.

Konecranes published the 2009 comparison figures related to the segment reporting change in a stock exchange release on February 24, 2010.

In addition, unrealized exchange rate differences relating to the hedging of trade receivables and payables that are not included in IFRS hedge accounting have been reported as part of net sales and cost of goods sold above the operating profit from 2010. Previously these items were reported in financial income and expenses. It is not possible to recalculate accurately the impact of this change on 2009 numbers as a result of which restating of the 2009 numbers has not been done for this change. However, it is estimated that the change would only have a minor impact on the segment operating profits in 2009. There would not be any change in profit before taxes in 2009.

Market review

The turnaround in the global economy that started in the autumn of 2009 continued in the first nine months of 2010. Further fuelled by easy monetary policies and low interest rates, global macro indicators improved on a broad basis and in many cases even exceeded expectations. Growth rates in the emerging markets continued to exceed those in the developed countries.

The third quarter economic news flow was dominated by double-dip fears, mainly related to the USA where the construction sector has remained subdued and the unemployment rate high. In Europe, several countries accelerated austerity measures to reduce their budget deficits. In China, economic momentum indicators picked-up after the slower second quarter.

Industrial capacity utilization improved both in Europe and the USA in the first nine months, but was still low by historical standards. In the third quarter, it stood barely above the previous trough of late 2001. Purchasing managers' indexes were buoyant across the globe, but started to clearly point to a moderation in the third quarter.

Demand for new equipment continued to suffer from overcapacity across customer segments overall. Demand for heavy industrial cranes was affected by the lack of major industrial investments in process industries while the demand for lighter industrial cranes and components was supported by livelier activity in general manufacturing. After a quiet start into the year, the increase in shipping volumes resulted in higher project activity with container ports towards the end of the reporting period. New inquiries from energy, steel, paper & pulp and mining sectors increased as well. Intense price competition persisted due to the overcapacity in the crane manufacturing industry.

Demand for services relating to lifting equipment improved due to higher capacity utilization within customer industries. Customers have continued to show a growing interest to outsource maintenance.

The market prices for steel and sea freight increased in the first half, but leveled off in the third quarter. Copper prices have been volatile at a high level in 2010. The US dollar appreciated clearly against EUR during the first half, but this development was reversed in the third quarter.

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

Orders received

January-September orders received totaled EUR 1,058.3 million (987.7), representing an increase of 7.1 percent compared with a year before. Orders received rose in Service by 19.8 percent, but declined in Equipment by 2.5 percent. Orders received rose in Americas and Asia-Pacific, but decreased in Europe-Middle East-Africa due to lower Equipment orders in the region.

In January-September, orders from emerging markets accounted for approximately 35 percent of total orders compared with more than 30 percent in 2009. Acquisitions contributed about 4 percent to orders received in January-September.

Third-quarter order intake rose by 21.0 percent from a year ago and totaled EUR 373.4 million (308.5). Order intake increased in Service by 22.4 and in Equipment by 16.5 percent. Orders received rose in all geographic areas. Order growth was strongest in Asia-Pacific.

Order book

The value of the order book at end September totaled EUR 679.7 million. The order book increased by 6.5 percent from last year's comparison figure of EUR 638.4 million, but declined by 0.8 percent from end-June 2010 when it stood at EUR 685.2 million. Compared to a year ago, the order book increased mainly due to currency changes. Service accounted for EUR 111.7 million (16 percent) and Equipment for EUR 585.6 million (84 percent) of the total end-September order book.

Sales

Group sales in January-September decreased by 13.3 percent from the level a year ago and totaled EUR 1,076.9 million (1,242.4). Sales declined in Service by 0.1 percent and in Equipment by 20.6 percent. Acquisitions contributed about 3 percent to sales in January-September.

Third-quarter sales rose by 6.8 percent from a year ago and totaled EUR 393.6 million (368.7). Sales increased in Service by 9.9 percent and in Equipment by 8.2 percent.

At end September, calculated on a rolling 12 months basis, the regional breakdown was as follows: EMEA 54 (56), Americas 30 (29) and APAC 17 (15) percent.

Net sales by region, MEUR

	7-9/ 2010	7-9/ 2009	1-9/ 2010	1-9/ 2009	Change percent	Change % at comparable currency rates	R12M	2009
EMEA	202.0	201.0	565.0	683.8	-17.4	-19.2	809.1	928.0
AME	122.0	111.9	332.4	365.9	-9.2	-13.8	446.1	479.5
APAC	69.5	55.7	179.5	192.7	-6.8	-14.1	250.6	263.8
Total	**393.6**	**368.7**	**1,076.9**	**1,242.4**	**-13.3**	**-16.8**	**1,505.8**	**1,671.3**

Currency rate effect

In a year-on-year comparison, the currency rates had a positive effect on orders and sales in January-September. The reported order intake rose by 7.1 percent and by 3.1 percent at comparable currency rates. Reported sales declined by 13.3 percent and by 16.8 percent at comparable currency rates. In the third quarter, the reported order intake grew by 21.0 percent whereas the growth at comparable currencies was 13.1 percent. The reported sales increased by 6.8 percent, but fell by 1.3 percent at comparable currencies.

In Service, the reported January-September order intake growth of 19.8 percent exceeded the growth of 14.0 percent at comparable currencies. In Equipment, reported orders fell by 2.5 percent and by 5.5 percent at comparable currencies. In the third quarter, Service orders grew by 22.4 in reported terms and by 12.7 percent at comparable currencies. In Equipment, the corresponding figures were 16.5 percent and 10.0 percent.

In January-September the currency rates had a slight positive impact on the Group's operating margin compared with the same period a year earlier.

Financial result

The consolidated operating profit in January-September totaled EUR 66.6 million (75.8), decreasing in total by EUR 9.2 million. The operating profit includes restructuring costs of EUR 2.7 million (15.8) booked in the second quarter due to the announced closure of the assembly plant in Windsor, WI, USA. The consolidated operating margin rose to 6.2 percent (6.1). The operating margin in Service declined to 8.1 percent (8.9), but stayed flat in Equipment at 5.6 percent (5.6).

The consolidated operating profit in the third quarter totaled EUR 34.3 million (10.2). The comparison period included restructuring costs of EUR 13.9 million. The consolidated operating margin in the third quarter rose to 8.7 percent (2.8). The operating margin in Service decreased to 8.4 percent (8.5), but rose in Equipment to 8.7 percent (0.3).

Procurement cost savings and adjustment of production capacity offset the product price pressure both in January-September and in the third quarter.

In January-September, the share of the result of associated companies and joint ventures was EUR 1.3 million (-2.1).

Net financial expenses totaled EUR 2.0 million (3.7). Net interest expenses were EUR 2.3 million (2.0).

The January-September profit before taxes was EUR 65.9 million (70.0).

Income taxes in January-September were EUR -19.6 million (-20.9). The Group's estimated effective tax rate was 29.8 percent (29.8).

Net profit for January-September was EUR 46.3 million (49.1).

Diluted earnings per share for January-September were EUR 0.80 (0.84).

On a rolling twelve-month basis, return on capital employed was 18.8 percent (32.7) and return on equity 14.8 percent (26.7).

Balance sheet

The consolidated balance sheet, which at end September stood at EUR 1,140.7 million, was EUR 92.4 million more than at September 30, 2009, but EUR 4.8 million less than at June 30, 2010. Total equity at the end of the report period was EUR 415.7 million (389.1). Total equity attributable to equity holders of the parent company at September 30 was EUR 410.9 million (387.1) or EUR 6.97 per share (6.59).

Net working capital amounted to EUR 183.3 million at end-September, representing a decrease of EUR 27.8 million from a year ago and EUR 9.7 million from June 30, 2010. Net working capital fell in the third quarter mainly due to currency changes.

Cash flow and financing

Net cash from operating activities in January-September was EUR 26.2 million (133.2), representing EUR 0.44 per diluted share (2.25). Net cash from operations in the third quarter was EUR 32.1 million (66.2). Cash flow before financing activities was EUR -28.6 million (110.3). Cash flow before financing activities in the third quarter was EUR 21.2 million (57.0).

Advance payments related to investments in tangible and intangible assets amounted to EUR 8.5 million (4.0) in January-September and to EUR 4.9 million (1.8) in the third quarter.

Interest-bearing net debt was EUR 0.7 million (-14.9) at September 30, 2010. Solidity was 42.9 percent (43.7) and gearing 0.2 percent (-3.8).

The Group's liquidity remained healthy. At the end of the third quarter, cash and cash equivalents amounted to EUR 103.3 million (88.5). None of the Group's EUR 200 million committed back-up financing facility was in use at the end of the period.

Capital expenditure

January-September capital expenditure excluding acquisitions and investments in associated companies amounted to EUR 11.3 million (13.9). This amount consisted mainly of replacement or capacity expansion investments in machines, equipment and information technology. Capital expenditure including acquisitions and investments in associated companies was EUR 46.5 million (25.1).

Acquisitions

Capital expenditure on acquisitions and investments in associated companies was EUR 35.1 million (11.2). During January-September, Konecranes made six small acquisitions, five of which related to the Machine Tool Service (MTS) business in Denmark, in the UK and in the USA. From the acquisitions net assets were recorded at EUR 5.9 million and they increased goodwill by EUR 2.2 million.

Konecranes and the Japanese hoist, crane and material handling equipment company Kito Corporation ("Kito") entered into a strategic alliance. The alliance agreement was signed by representatives of the two companies on March 23, 2010. To fully utilize the global market potential and mutually complement each other, Konecranes will enter into an agreement to sell Kito manual products while Kito will sell wire rope hoists made by Konecranes. The distribution and license agreements are expected to be concluded in the near future. The benefits of the alliance are not expected to have a material impact on Konecranes' net sales and operating profit in 2010.

To reinforce the strategic alliance, Konecranes purchased 29,750 shares (22.0 percent of the share capital and voting rights) in Kito on March 24, 2010. The total value of the stake purchased amounted to approximately JPY 3.3 billion (EUR 27 million). Furthermore, Kito repurchased 10.0 percent of the share capital on March 24, 2010. Post the share purchase by Konecranes and the Kito share buyback, Konecranes has approximately 24.4 percent of the voting rights in Kito.

The shareholding has been included in investments accounted for using the equity method in the balance sheet on March 31. Kito has been included in Konecranes' statement of income as an associated company during the third quarter.

As part of the strategic alliance announced March 23, 2010, Konecranes and Kito signed a Memorandum of Understanding according to which Konecranes intends to sell the hoist distribution business of its Japanese joint venture MHS Konecranes to Kito. As a preparation for this transaction, Konecranes on June 4, 2010, finalized the agreement to increase its ownership in MHS Konecranes to 100 percent by acquiring the remaining 35 percent stake from Meidensha Corporation. Following the Memorandum of Understanding, MHS Konecranes and Kito have on October 20, 2010, entered into an agreement concerning the business transfer through asset purchase. The transfer of the assets is expected to be finalized on November 1, 2010.

Personnel

In January-September, the Group employed an average of 9,677 people (9,720). At 30 September, the headcount was 9,795 (9,419). At end September, the number of personnel by Business Area was as follows: Service 5,125 employees (5,033), Equipment 4,626 employees (4,334) and Group staff 44 (52). The Group had 5,562 employees (5,646) working in EMEA, 2,217 (2,298) in the Americas and 2,016 (1,475) in the APAC region.

Konecranes announced on June 3, 2010, that it will close its assembly plant in Windsor, WI, USA by the end of October 2010. Low equipment demand in the developed markets, closer integration of Morris Material Handing Inc's (P&H) activities into Konecranes' operations and widening usage of corporate-wide products have reduced production volumes at the Windsor plant in 2010. A plan was prepared to cease operations at the Windsor factory and to relocate the remaining activities to the other Konecranes locations in the USA. Of the 47 personnel in Windsor, 27 were transferred to positions in other locations and 20 positions were eliminated.

Business Areas

Service

	7-9/ 2010	7-9/ 2009	1-9/ 2010	1-9/ 2009	Change percent	R12M	2009
Orders received, MEUR	152.4	124.5	451.3	376.5	19.8	573.1	498.4
Order book, MEUR	111.7	88.1	111.7	88.1	26.8		75.9
Contract base value, MEUR	146.6	122.6	146.6	122.6	19.5		121.3
Net sales, MEUR	173.2	157.6	496.5	496.8	-0.1	666.9	667.2
EBITDA, MEUR	17.4	16.0	48.5	51.2	-5.4	65.8	68.6
EBITDA, %	10.0 %	10.1 %	9.8 %	10.3 %		9.9 %	10.3 %
Depreciation and amortization, MEUR	-2.8	-2.6	-8.1	-7.2	12.0	-11.2	-10.3
Operating profit (EBIT) excluding restructuring costs, MEUR	14.6	13.9	40.4	45.2	-10.6	56.2	61.0
Operating profit (EBIT) excluding restructuring costs, %	8.4 %	8.8 %	8.1 %	9.1 %		8.4 %	9.1 %
Restructuring costs, MEUR	0.0	-0.5	0.0	-1.2		-1.5	-2.7
Operating profit (EBIT), MEUR	14.6	13.4	40.4	44.0	-8.2	54.7	58.3
Operating profit (EBIT), %	8.4 %	8.5 %	8.1 %	8.9 %		8.2 %	8.7 %
Capital employed, MEUR	152.7	143.7	152.7	143.7	6.3		130.7
ROCE%						36.9 %	43.8 %
Capital expenditure, MEUR	1.7	2.0	5.8	4.9	18.1	8.6	7.7
Personnel at the end of period	5,125	5,033	5,125	5,033	1.8		4,991

January-September orders received totaled EUR 451.3 million (376.5), showing an increase of 19.8 percent. Demand for maintenance services grew in all regions. Order intake increased in all business units with particular strength in Modernization. Also, demand for spare parts was strong. The order book increased by 26.8 percent to EUR 111.7 million (88.1) from a year before and by 4.9 percent from end-June 2010. Sales decreased by 0.1 percent to EUR 496.5 million (496.8). Operating profit was EUR 40.4 million (44.0) and the operating margin 8.1 percent (8.9). The January-September 2009 operating profit included EUR 1.2 million restructuring costs.

The third quarter order intake increased by 22.4 percent and totaled EUR 152.4 million (124.5). Similar to the first nine months, orders were higher than a year ago in all regions and business units as a result of higher capacity utilization among customer industries. Third quarter sales totaled EUR 173.2 million (157.6) and were 9.9 percent higher than a year ago. Operating profit was EUR 14.6 million (13.4) and the operating margin 8.4 percent (8.5). The third quarter operating profit was burdened by one-time costs of EUR 1.5 million related to the streamlining of the operations. The third-quarter 2009 operating profit included EUR 0.5 million restructuring costs.

The annual value of the contract base amounted to EUR 146.6 million compared with 122.6 MEUR a year ago and 145.7 MEUR at end June. Compared to a year ago, majority of the increase in the value of the contract base was organic while the rest was attributable to currency changes. The total number of items of equipment included in the maintenance contract base increased to 376,523 at end September from 370,549 a year before and from 371,387 at end-June, 2010.

The number of service technicians at end-September was 3,286, which is 51 or 1.6 percent more than at the end of September 2009.

Equipment

	7-9/ 2010	7-9/ 2009	1-9/ 2010	1-9/ 2009	Change percent	R12M	2009
Orders received, MEUR	240.0	205.9	655.7	672.5	-2.5	917.9	934.6
Order book, MEUR	585.6	565.6	585.6	565.6	3.5		547.8
Net sales, MEUR	252.6	233.5	660.1	831.1	-20.6	944.1	1,115.1
EBITDA, MEUR	27.0	5.2	52.0	59.2	-12.3	72.2	79.5
EBITDA, %	10.7 %	2.2 %	7.9 %	7.1 %		7.6 %	7.1 %
Depreciation and amortization, MEUR	-4.9	-4.5	-14.7	-12.5	17.3	-23.1	-21.0
Operating profit (EBIT) excluding restructuring costs, MEUR	22.0	14.0	39.9	61.4	-34.9	55.3	76.7
Operating profit (EBIT) excluding restructuring costs, %	8.7 %	6.0 %	6.1 %	7.4 %		5.9 %	6.9 %
Restructuring costs, MEUR	0.0	-13.4	-2.7	-14.6		-6.3	-18.2
Operating profit (EBIT), MEUR	22.0	0.7	37.3	46.7	-20.2	49.1	58.5
Operating profit (EBIT), %	8.7 %	0.3 %	5.6 %	5.6 %		5.2 %	5.2 %
Capital employed, MEUR	223.7	264.4	223.7	264.4	-15.4		208.7
ROCE%						20.1 %	22.9 %
Capital expenditure, MEUR	0.4	2.1	5.5	8.1	-31.9	14.4	17.0
Personnel at the end of period	4,626	4,334	4,626	4,334	6.7		4,742

January-September orders received totaled EUR 655.7 million (672.5), showing a decrease of 2.5 percent. Order intake rose in APAC, but fell in EMEA and the Americas. Orders for Industrial Cranes accounted for approximately a half of the orders received and were at last year's level. Components generated approximately 30 percent of the new orders and were above last year's level. The combined orders for the other business units (Nuclear Cranes, Port Cranes and Lift Trucks) amounted to approximately 20 percent of the orders received and were lower compared to the comparison period due to the lack of large single orders in Port Cranes, which boosted last year's figure.

The order book increased by 3.5 percent from a year before, but decreased by 2.1 percent from the end-June 2010 to EUR 585.6 million (565.6). Sales decreased by 20.6 percent to EUR 660.1 million (831.1). Operating profit before restructuring costs of EUR 2.7 million (14.6) was EUR 39.9 million (61.4) and the operating margin 6.1 percent (7.4). Operating profit after restructuring costs was EUR 37.3 million (46.7) and 5.6 percent of sales (5.6).

The third quarter order intake rose by 16.5 percent and totaled EUR 240.0 million (205.9). Third quarter order intake rose in EMEA and APAC, but fell in the Americas due to the lack of port crane orders. The value of new orders in Equipment was higher than a year ago in all business units except Port Cranes. Similar to the first half, demand for Lift Trucks was particularly strong in the third quarter. Third-quarter sales totaled EUR 252.6 million (233.5) and were 8.2 percent more than a year ago. Third-quarter operating profit was EUR 22.0 million (0.7), and the operating margin 8.7 percent (0.3). The operating profit increased due to higher volume, achieved cost savings, favourable sales mix and positive currency effects. The third-quarter 2009 operating profit included EUR 13.4 million restructuring costs.

Group Overheads
Unallocated Group overhead costs and eliminations in the reporting period were EUR –11.1 million (-15.0), representing 1.0 percent of sales (1.2).

Administration
Konecranes Annual General Meeting was held March 25, 2010. The meeting approved the company's annual accounts for the fiscal year 2009 and discharged the members of the Board of Directors and Managing Director from liability.

Payment of dividend
The AGM approved the Board's proposal that a dividend of EUR 0.90 per share is paid from the distributable assets of the parent company. The dividend was paid on 59,426,320 shares and amounted to EUR 53,483,688. The dividend was paid on April 9, 2010.

Composition of the Board of Directors
The AGM approved the proposal of the Nomination and Compensation Committee that eight (8) members of the Board of Directors be elected. The Board members elected at the AGM in 2009 i.e. Mr Svante Adde, Mr Tomas Billing, Mr Kim Gran, Mr Stig Gustavson, Mr Tapani Järvinen, Mr Matti Kavetvuo, Ms Malin Persson and Mr Mikael Silvennoinen were re-elected.

Compensation of the Board of Directors
The AGM confirmed the annual compensation to the Board members:

Chairman of the Board: EUR 100,000
Vice Chairman of the Board: EUR 64,000
Other Board Members: EUR 40,000

In addition, compensation of EUR 1,500 per meeting will be paid for attendance at Board Committee meetings.

Election of the auditors and their remuneration
The AGM confirmed that Ernst & Young Oy continues as the Company's external auditor. The remuneration of the auditor will be paid according to the auditor's reasonable invoice.

Amendment of the Articles of Association
The AGM decided to amend Section 9 of the Articles of Association so that notice to the General Meeting shall be delivered no less than three weeks before the General Meeting, however no less than 9 days prior to the record date of the General Meeting. The AGM also approved that the notice, by decision by the Board of Directors, can be delivered by publishing the notice on the Company's website or in national newspapers, or by sending written notices to the shareholders by mail. Furthermore, the AGM confirmed that the General Meeting may, in addition to the Company's domicile, be held in Helsinki, Espoo or Vantaa.

Authorization of the Board of Directors to decide on the issuance of shares as well as on the issuance of special rights entitling to shares
The amount of shares to be issued based on this authorization shall not exceed 9,000,000 shares, which corresponds to approximately 14.5 percent of all of the shares in the Company.

The authorization is effective until the end of the next Annual General Meeting, however no longer than until 24 September 2011.

Authorization of the Board of Directors to repurchase the Company's own shares
The amount of own shares to be repurchased and/or accepted as pledge shall not exceed 6,000,000 shares in total, which corresponds to approximately 9.7 percent of all of the shares in the Company.

The authorization is effective until the end of the next Annual General Meeting, however no longer than until 24 September 2011.

Authorization of 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 9.7 percent of all of the shares in the Company.

This authorization shall be effective until the next Annual General Meeting of Shareholders, however no longer than until 24 September 2011.

Donation for philanthropic purposes
The AGM decided to grant a donation to one or more Finnish Universities in the amount of EUR 1,250,000 to thereby support education and research within the fields of technology, economy, or art. Equity reduced by EUR 0.9 million due to the paid donation in the third quarter.

Board of Directors' organizing meeting

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 Kim Gran, Mr Tapani Järvinen and Mr Mikael Silvennoinen as Committee members. Mr Matti Kavetvuo was elected Chairman of the Nomination and Compensation Committee, and Mr Tomas Billing, Mr Stig Gustavson, and Ms Malin Persson 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. All Board members are independent of significant shareholders of the company.

Share capital and shares

The company's registered share capital at September 30, 2010 totaled EUR 30.1 million. At September 30, 2010, the number of shares including treasury shares and the shares owned by KCR Management Oy totaled 62,002,120. At September 30, 2010, Konecranes held a total of 2,524,760 treasury shares, excluding the shares owned by KCR Management Oy, which corresponds to 4.1 percent of the total number of shares and which at that date had a market value of EUR 69.3 million. Konecranes conveyed 12,000 own shares on April 29, 2010 as sale against contribution in kind. In addition, Konecranes conveyed 5,840 own shares on August 26, 2010 as the payment of Board remuneration in accordance with the resolution of the Annual General Meeting held on March 25, 2010.

Shares registered under stock option rights

Pursuant to Konecranes' stock option plans, 129,200 new shares were subscribed and registered in the Finnish Trade Register in January-September. As a result of these subscriptions, the total number of Konecranes shares (including treasury shares and the shares owned by KCR Management Oy) rose to 62,002,120.

The subscription period for the options under Konecranes 2001B stock option plan ended on March 31, 2010. The last lot of the shares subscribed under the 2001B stock option plan was registered in the Finnish Trade Register on May 5, 2010.

The stock options issued under Konecranes Plc's ongoing stock option plans (2007 and 2009) at end-September 2010 entitle holders to subscribe a total of 3,370,000 shares, which would increase the total number of Konecranes shares (including treasury shares and the shares owned by KCR Management Oy) to 65,372,120. The option programs include approximately 210 key persons.

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

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

Market capitalization and trading volume

The closing price for Konecranes Plc's shares on September 30, 2010 was EUR 27.43. The volume-weighted average share price in January-September was EUR 22.55, the highest price being EUR 27.60 in September and the lowest EUR 19.08 in January. In January–September, the trading volume on the NASDAQ OMX Helsinki totaled 71.8 million Konecranes Plc shares, corresponding to a turnover of approximately EUR 1,619 million. The average daily trading volume was 379,831 shares, representing an average daily turnover of EUR 8.6 million.

On September 30, 2010, the total market capitalization of Konecranes Plc's shares was EUR 1,701 million including treasury shares held by the company and the shares held by KCR Management Oy. The market capitalization was EUR 1,617 million excluding the treasury shares and the shares held by KCR Management Oy.

Flagging notifications

On February 24, 2010, HTT 2 Holding Oy Ab informed Konecranes that their holding had exceeded 5 percent. HTT 2 Holding Oy Ab held 3,129,500 shares, which was 5.06 percent of Konecranes' shares and votes on February 24, 2010.

On April 9, 2010, BlackRock, Inc. informed Konecranes that their holding had exceeded 10 percent. BlackRock, Inc. held 6,228,000 shares, which was 10.05 percent of Konecranes' shares and votes on April 9, 2010.

On June 4, 2010, BlackRock, Inc. informed Konecranes that their holding had decreased below 10 percent. BlackRock, Inc. held 6,181,787 shares, which was 9.97 percent of Konecranes' shares and votes on June 4, 2010.

On June 23, 2010, Konecranes received a disclosure according to which the combined holding of HTT 2 Holding Oy Ab, K. Hartwall Invest Oy Ab, Fyrklöver-Invest Oy Ab and Rönnäs Invest AG had exceeded 10 percent. The combined ownership of the shareholders mentioned in the disclosure amounted to 6,207,968 shares on June 23, 2010, which is

10.01 percent of the shares and votes in Konecranes Plc. All the shareholders mentioned in the disclosure will in practice cooperate in matters concerning their ownership in Konecranes. HTT 2 Holding Oy Ab is a subsidiary of Hartwall Capital Oy Ab.

On July 2, 2010, HTT 2 Holding Oy Ab informed Konecranes that their holding had exceeded 10 percent. HTT 2 Holding Oy Ab held 6,215,568 shares, which was 10.02 percent of Konecranes' shares and votes on July 2, 2010. K. Hartwall Invest Oy Ab, Fyrklöver-Invest Oy Ab and Rönnäs Invest AG, who will in practice cooperate with HTT 2 Holding Oy Ab in matters concerning their ownership in Konecranes Plc, held 6,357,968 shares on July 2, 2010, which is 10.25 percent of the shares and votes in Konecranes Plc.

On August 20, 2010, BlackRock, Inc. informed Konecranes that their holding had exceeded 10 percent. BlackRock held 6,200,223 Konecranes' shares on August 19, 2010, which is 10.00 percent of Konecranes' shares and votes.

On August 30, 2010, Konecranes received a disclosure according to which the holding of BlackRock, Inc. in Konecranes had decreased below 10 percent. BlackRock, Inc. held 6,192,571 Konecranes' shares on August 24, 2010, which is 9.99 percent of Konecranes' shares and votes.

On September 8, 2010, BlackRock, Inc. informed Konecranes that their holding had exceeded 10 percent. BlackRock held 6,271,713 Konecranes' shares on September 7, 2010, which is 10.12 percent of Konecranes' shares and votes.

Events after the end of the reporting period

On October 8, 2010, Konecranes published the following stock exchange release:

"Following recent press speculation and Demag Cranes AG's ("Demag Cranes") announcement today concerning a potential transaction, Konecranes Plc ("Konecranes") confirms that it has approached Demag Cranes on 8 September 2010 to discuss a potential combination of the two companies. This was a preliminary approach and the management of Demag Cranes has responded that Demag Cranes has no interest in engaging in any dialogue regarding such a potential combination. To date there have been no concrete negotiations between the two companies.

As Konecranes has previously stated, we believe there is a need for consolidation in the crane industry, particularly in Europe. Konecranes is continuously evaluating its strategic options in this respect. We believe that a combination of Konecranes and Demag Cranes would follow a convincing industrial logic and would be highly beneficial to both companies and their respective stakeholders. Konecranes is convinced that if Demag Cranes were willing to engage in a dialogue, a structure for a potential business combination could be agreed that would be in the interest of both companies' stakeholders and also be viable from a regulatory perspective. However, currently there is no certainty that any transaction will materialize.

Konecranes presently does not intend to comment on this matter any further. Any further announcement will be made only if appropriate."

On October 11, 2010, Konecranes announced that it has entered into an agreement to acquire the Indian crane company WMI Cranes Ltd. ("WMI"). The company is one of the leading manufacturers of heavy-duty cranes in India. For the year ending March 31, 2010, WMI's net sales amounted to approximately EUR 30 million. The company has an order book of more than EUR 50 million and its order intake prospects are good. WMI employs approximately 350 people and an additionally contracted workforce of about 600 persons.

Konecranes will acquire WMI's shares in two phases. In the first phase Konecranes will acquire 51 percent of the shares for INR 1,690 million (EUR 28 million). In the second phase, approximately one year later, Konecranes will purchase the remaining 49 percent of the shares. The sellers are entitled to a performance linked part of the purchase price and the total maximum price for 100 percent of the shares in WMI can amount to approximately INR 3,600 million (EUR 60 million). The acquisition is irrevocable. The purchase will be financed with existing cash reserves.

WMI will be consolidated into Konecranes' financial reporting once the regulatory approvals have been received. The approvals are expected to be received during the fourth quarter of 2010. The acquisition is expected to have an immaterial impact on Konecranes' results in 2010.

Risks and uncertainties

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

The supply chain has been downsized due to the low demand for products and it is possible that as demand picks up, Konecranes and its suppliers may not be able to respond to this instantly, which may result in delays of deliveries and increased costs as a consequence. In addition to Konecranes' own assembly operations, the lack of raw materials and components may cause bottlenecks.

The economic growth, particularly in China, has had an inflatory impact on raw material prices, which may affect Konecranes' profits if product sales prices cannot be adjusted correspondingly due to intense competition, for example. On the other hand, Konecranes serves several producers whose propensity to invest can increase due to improved profitability on higher raw material prices.

Challenges in financing may lead customers to postpone projects or even to cancel existing orders. A renewed downturn in the world economy would increase postponement of deliveries and cancellations of orders. Advance payments are an integral part of 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. Konecranes aims to continue a strict policy in these regards.

Currency rate fluctuations have increased and may significantly affect the company's performance. The USD/EUR exchange rate has the largest impact on financial performance through a combination of the translational effect and transactional exposure.

From this report, Konecranes separates the market outlook describing the expected demand from financial guidance.

Market outlook

The demand for maintenance services is expected to continue to be above last year's level due to higher capacity utilization within customer industries. The demand for new equipment is expected to remain robust in Asia-Pacific and in emerging markets in general while customers' decision-making is still conditional on the sustainability of economic growth in western Europe and North America. Price competition is likely to remain.

Financial guidance

Konecranes reiterates the previous guidance for the year 2010 for sales and operating profit:

Growing demand will support our sales and profitability already during the second half of 2010. However, due to the low first half year sales we expect full year 2010 sales to be lower than in 2009. We expect the operating profit in 2010 to be lower than in 2009 before restructuring costs.

Helsinki, October 21, 2010
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 our 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. As of January 1, 2010 Konecranes applied one amended standard: IFRS 3, Business Combinations (Revised). In revised IFRS 3 the acquisition-related costs will be expensed through statement of income at time that such services are received. This is a significant difference from former practice in which such costs were included in the cost of the business combination and therefore included in the calculation of goodwill. The other year 2010 standards will have immaterial impact on future financial statements.

Konecranes is introducing also new reporting segments. From the beginning of 2010, Konecranes will report two Business Areas: Service and Equipment. Previously the number of reporting segments was three: Service, Standard Lifting and Heavy Lifting. More information than before will be provided for each segment, and the allocation of Group costs into the segments has been redefined to improve transparency. The comparison figures in year 2009 have been changed accordingly.

Otherwise Konecranes applies the same accounting policies as were applied in the 2009 annual financial statements.

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	7-9/2010	7-9/2009	1-9/2010	1-9/2009	Change %	1-12/2009
Sales	**393.6**	**368.7**	**1,076.9**	**1,242.4**	-13.3	**1,671.3**
Other operating income	0.8	0.4	2.4	1.9		2.9
Depreciation and impairments	-7.8	-7.4	-23.1	-20.7		-32.5
Other operating expenses	-352.3	-351.5	-989.6	-1,147.8		-1,543.8
Operating profit	**34.3**	**10.2**	**66.6**	**75.8**	-12.1	**97.9**
Share of associates' and joint ventures' result	0.3	-0.7	1.3	-2.1		-2.2
Financial income and expenses	-1.8	-2.3	-2.0	-3.7		-7.1
Profit before taxes	**32.7**	**7.2**	**65.9**	**70.0**	-5.9	**88.6**
Taxes	-9.7	-3.0	-19.6	-20.9		-26.1
NET PROFIT FOR THE PERIOD	**23.0**	**4.2**	**46.3**	**49.1**	-5.8	**62.5**
Net profit for the period attributable to:						
Shareholders of the parent company	23.1	4.7	47.1	49.9		63.6
Minority interest	-0.1	-0.5	-0.8	-0.8		-1.1
Earnings per share, basic (EUR)	0.39	0.08	0.80	0.85	-5.6	1.08
Earnings per share, diluted (EUR)	0.39	0.08	0.80	0.84	-5.8	1.08

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR million	7-9/2010	7-9/2009	1-9/2010	1-9/2009	Change %	1-12/2009
Net profit for the period	**23.0**	**4.2**	**46.3**	**49.1**	-5.8	**62.5**
Other comprehensive income for the period, net of tax						
Exchange differences on translating foreign operations	-14.3	-4.4	14.7	-4.2		-1.1
Cash flow hedges	2.7	2.3	-3.6	4.4		1.9
Income tax relating to components of other comprehensive income	-0.7	-0.6	0.9	-1.2		-0.5
Other comprehensive income for the period, net of tax	**-12.3**	**-2.7**	**12.1**	**-0.9**		**0.3**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**10.7**	**1.5**	**58.3**	**48.2**	21.0	**62.8**
Total comprehensive income attributable to:						
Shareholders of the parent company	11.4	2.0	59.3	49.1		64.0
Minority interest	-0.7	-0.5	-1.0	-0.9		-1.2

Consolidated balance sheet

EUR million **ASSETS**	**30.9.2010**	**30.9.2009**	**31.12.2009**
Non-current assets			
Goodwill	76.3	64.4	71.5
Intangible assets	63.5	60.5	65.8
Property, plant and equipment	96.1	76.6	91.3
Advance payments and construction in progress	20.6	11.5	11.8
Investments accounted for using the equity method	32.2	4.5	4.5
Available-for-sale investments	1.6	2.1	1.8
Long-term loans receivable	3.4	2.1	2.7
Deferred tax assets	44.5	34.6	37.3
Total non-current assets	**338.1**	**256.3**	**286.7**
Current assets			
Inventories			
Raw material and semi-manufactured goods	118.5	146.7	125.0
Work in progress	149.7	145.4	114.3
Advance payments	11.3	10.9	8.9
Total inventories	279.6	303.0	248.2
Accounts receivable	264.4	264.5	265.4
Loans receivable	2.1	2.9	2.9
Other receivables	24.8	21.9	23.5
Deferred assets	128.5	111.2	96.1
Cash and cash equivalents	103.3	88.5	137.5
Total current assets	**802.6**	**792.1**	**773.7**
TOTAL ASSETS	**1,140.7**	**1,048.4**	**1,060.4**

Consolidated balance sheet

EUR million EQUITY AND LIABILITIES	30.9.2010	30.9.2009	31.12.2009
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	-0.4	4.2	2.3
Translation difference	-3.5	-21.6	-18.4
Paid in capital	10.5	8.8	9.0
Retained earnings	287.9	276.4	276.6
Net profit for the period	47.1	49.9	63.6
Total equity attributable to equity holders of the parent company	**410.9**	**387.1**	**402.5**
Minority interest	4.8	2.0	4.6
Total equity	**415.7**	**389.1**	**407.1**
Liabilities			
Non-current liabilities			
Interest-bearing liabilities	39.2	18.0	38.6
Other long-term liabilities	57.1	56.5	56.1
Deferred tax liabilities	18.1	18.9	18.6
Total non-current liabilities	**114.4**	**93.5**	**113.3**
Provisions	**53.2**	**54.9**	**61.1**
Current liabilities			
Interest-bearing liabilities	70.3	60.6	26.9
Advance payments received	170.8	157.3	156.7
Progress billings	11.9	11.4	18.9
Accounts payable	89.1	75.1	83.7
Other short-term liabilities (non-interest bearing)	14.8	20.3	13.8
Accruals	200.4	186.2	178.7
Total current liabilities	**557.4**	**510.9**	**478.9**
Total liabilities	**725.0**	**659.3**	**653.3**
TOTAL EQUITY AND LIABILITIES	**1,140.7**	**1,048.4**	**1,060.4**

Consolidated statement of changes in equity

EUR million	Equity attributable to equity holders of the parent company: Share capital	Share premium account	Share issue	Cash flow hedge	Translation difference
Balance at 1 January, 2010	**30.1**	**39.3**	**0.0**	**2.3**	**-18.4**
Option exercised					
Share issue					
Dividends paid to equity holders					
Share based payments recognized against equity					
Business combinations					
Donations***					
Total comprehensive income				-2.7	14.9
Balance at 30 September, 2010	**30.1**	**39.3**	**0.0**	**-0.4**	**-3.5**
Balance at 1 January, 2009	**30.1**	**39.3**	**0.1**	**0.9**	**-17.4**
Option exercised					
Share issue			-0.1		
Dividends paid to equity holders					
Share based payments recognized against equity					
Employee benefit scheme for executive management*					
Change of control in associated company**					
Business combinations					
Total comprehensive income				3.3	-4.2
Balance at 30 September, 2009	**30.1**	**39.3**	**0.0**	**4.2**	**-21.6**

EUR million	Equity attributable to equity holders of the parent company: Paid in capital	Retained earnings	Total	Minority interest	Total equity
Balance at 1 January, 2010	**9.0**	**340.2**	**402.5**	**4.6**	**407.1**
Option exercised	1.4		1.4		1.4
Share issue			0.0		0.0
Dividends paid to equity holders		-53.5	-53.5	0.5	-53.0
Share based payments recognized against equity		2.7	2.7		2.7
Business combinations		-0.6	-0.6	0.7	0.1
Donations***		-0.9	-0.9		-0.9
Total comprehensive income		47.1	59.3	-1.0	58.3
Balance at 30 September, 2010	**10.5**	**335.0**	**410.9**	**4.8**	**415.7**
Balance at 1 January, 2009	**7.3**	**338.5**	**398.8**	**1.9**	**400.7**
Option exercised	1.6		1.6		1.6
Share issue			-0.1		-0.1
Dividends paid to equity holders		-53.3	-53.3		-53.3
Share based payments recognized against equity		2.6	2.6		2.6
Employee benefit scheme for executive management*		-8.4	-8.4	1.3	-7.1
Change of control in associated company**		-3.0	-3.0		-3.0
Business combinations			0.0	-0.3	-0.3
Total comprehensive income		49.9	49.0	-0.9	48.1
Balance at 30 September, 2009	**8.8**	**326.3**	**387.1**	**2.0**	**389.1**

* Consolidation of KCR Managment Oy (incentive arrangement for Konecranes Group executive management)

** Increase of Konecranes' influence in the management of associated company ZAO Zaporozhje Kran in Ukraine.

*** Donations (after taxes) to Finnish Universities based on decision made by AGM

Consolidated cash flow statement

EUR million	1-9/2010	1-9/2009	1-12/2009
Cash flow from operating activities			
Net income	46.3	49.1	62.5
Adjustments to net income			
Taxes	19.6	20.9	26.1
Financial income and expenses	2.2	4.0	7.5
Share of associates' and joint ventures' result	-1.3	2.1	2.2
Dividend income	-0.2	-0.2	-0.4
Depreciation and impairments	23.1	20.7	32.5
Profits and losses on sale of fixed assets	-0.1	-0.2	0.6
Other adjustments	0.1	0.2	1.8
Operating income before change in net working capital	**89.7**	**96.5**	**132.9**
Change in interest-free short-term receivables	4.5	151.3	171.8
Change in inventories	-18.7	39.1	94.9
Change in interest-free short-term liabilities	-0.9	-100.0	-111.9
Change in net working capital	**-15.1**	**90.4**	**154.8**
Cash flow from operations before financing items and taxes	**74.6**	**187.0**	**287.7**
Interest received	1.7	1.0	1.2
Interest paid	-4.2	-4.2	-4.6
Other financial income and expenses	-3.2	1.7	-1.6
Income taxes paid	-42.7	-52.3	-59.6
Financing items and taxes	**-48.4**	**-53.8**	**-64.6**
Net cash from operating activities	**26.2**	**133.2**	**223.0**
Cash flow from investing activities			
Acquisition of Group companies, net of cash	-9.2	-6.2	-12.3
Divestment of Group companies, net of cash	0.0	0.6	-0.4
Acquisition of shares in associated companies	-27.0	0.0	0.0
Investments in other shares	0.0	-0.1	-0.2
Capital expenditures	-19.8	-17.8	-29.7
Proceeds from sale of fixed assets	1.0	0.5	0.9
Dividends received	0.2	0.2	0.4
Net cash used in investing activities	**-54.8**	**-22.8**	**-41.2**
Cash flow before financing activities	**-28.6**	**110.3**	**181.8**
Cash flow from financing activities			
Proceeds from options exercised and share issues	1.1	1.5	1.7
Related Party net investment to Konecranes Plc shares	0.0	-7.1	-7.1
Proceeds from long-term borrowings	2.8	100.0	132.6
Repayments of long-term borrowings	-3.8	-197.6	-207.2
Proceeds from (+), payments of (-) short-term borrowings	39.0	38.1	-8.4
Change in long-term receivables	-0.9	-0.2	-0.9
Change in short-term receivables	1.2	-2.6	-2.6
Dividends paid to equity holders of the parent	-53.0	-53.3	-53.3
Net cash used in financing activities	**-13.6**	**-121.3**	**-145.2**
Translation differences in cash	7.9	-1.5	0.0
Change of cash and cash equivalents	**-34.3**	**-12.4**	**36.6**
Cash and cash equivalents at beginning of period	137.5	100.9	100.9
Cash and cash equivalents at end of period	103.3	88.5	137.5
Change of cash and cash equivalents	**-34.3**	**-12.4**	**36.6**

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.

Segment information

1. BUSINESS SEGMENTS

EUR million

Orders received by Business Area	**1-9/2010**	% of total	**1-9/2009**	% of total	**1-12/2009**	% of total
Service [1]	451.3	41	376.5	36	498.4	35
Equipment	655.7	59	672.5	64	934.6	65
./. Internal	-48.7		-61.3		-84.1	
Total	**1,058.3**	**100**	**987.7**	**100**	**1,348.9**	**100**

1) Excl. Service Contract Base

Order book total [2]	**30.9.2010**	% of total	**30.9.2009**	% of total	**31.12.2009**	% of total
Service	111.7	16	88.1	13	75.9	12
Equipment	585.6	84	565.6	87	547.8	88
./. Internal	-17.6		-15.3		-16.8	
Total	**679.7**	**100**	**638.4**	**100**	**607.0**	**100**

2) Percentage of completion deducted

Sales by Business Area	**1-9/2010**	**% of total**	**1-9/2009**	% of total	**1-12/2009**	% of total
Service	496.5	43	496.8	37	667.2	37
Equipment	660.1	57	831.1	63	1,115.1	63
./. Internal	-79.7		-85.5		-111.1	
Total	**1,076.9**	**100**	**1,242.4**	**100**	**1,671.3**	**100**

Operating profit (EBIT) by Business Area	**1-9/2010**		**1-9/2009**		**1-12/2009**	
excluding restructuring costs	MEUR	EBIT %	MEUR	EBIT %	MEUR	EBIT %
Service	40.4	8.1	45.2	9.1	61.0	9.1
Equipment	39.9	6.1	61.4	7.4	76.7	6.9
Group costs and eliminations	-11.1		-15.0		-18.9	
Total	**69.2**	**6.4**	**91.6**	**7.4**	**118.8**	**7.1**

Operating profit (EBIT) by Business Area	**1-9/2010**		**1-9/2009**		**1-12/2009**	
including restructuring costs	MEUR	EBIT %	MEUR	EBIT %	MEUR	EBIT %
Service	40.4	8.1	44.0	8.9	58.3	8.7
Equipment	37.3	5.6	46.7	5.6	58.5	5.2
Group costs and eliminations	-11.1		-15.0		-18.9	
Total	**66.6**	**6.2**	**75.8**	**6.1**	**97.9**	**5.9**

Capital Employed and ROCE%	**1-9/2010**		**1-9/2009**		**1-12/2009**	
	MEUR		MEUR		MEUR	ROCE %
Service	152.7		143.7		130.7	43.8
Equipment	223.7		264.4		208.7	22.9
Unallocated Capital Employed	148.8		59.7		133.2	
Total	**525.2**		**467.7**		**472.6**	**19.3**

Personnel by Business Area (at the end of the period)	**30.9.2010**	% of total	**30.9.2009**	% of total	**31.12.2009**	% of total
Service	5,125	52	5,033	53	4,991	51
Equipment	4,626	47	4,334	46	4,742	48
Group staff	44	0	52	1	49	1
Total	**9,795**	**100**	**9,419**	**100**	**9,782**	**100**

Segment information

2. GEOGRAPHICAL SEGMENTS

EUR million **Sales by market**	**1-9/2010**	% of total	**1-9/2009**	% of total	**1-12/2009**	% of total
Europe-Middle East-Africa (EMEA)	565.0	52	683.8	55	928.0	56
Americas (AME)	332.4	31	365.9	29	479.5	29
Asia-Pacific (APAC)	179.5	17	192.7	16	263.8	16
Total	**1,076.9**	**100**	**1,242.4**	**100**	**1,671.3**	**100**

Personnel by region (at the end of the period)	**30.9.2010**	% of total	**30.9.2009**	% of total	**31.12.2009**	% of total
Europe-Middle East-Africa (EMEA)	5,562	57	5,646	60	5,533	57
Americas (AME)	2,217	23	2,298	24	2,236	23
Asia-Pacific (APAC)	2,016	21	1,475	16	2,013	21
Total	**9,795**	**100**	**9,419**	**100**	**9,782**	**100**

Notes

KEY FIGURES	30.9.2010	30.9.2009	Change %	31.12.2009
Earnings per share, basic (EUR)	0.80	0.85	-5.6	1.08
Earnings per share, diluted (EUR)	0.80	0.84	-5.8	1.08
Return on capital employed %, Rolling 12 Months (R12M)	18.8	32.7	-42.5	19.3
Return on equity %, Rolling 12 Months (R12M)	14.8	26.7	-44.6	15.5
Equity per share (EUR)	6.97	6.59	5.8	6.84
Current ratio	1.3	1.4	-7.1	1.4
Gearing %	0.2	-3.8	-105.3	-19.1
Solidity %	42.9	43.7	-1.8	45.1
EBITDA, EUR million	89.7	96.5	-7.0	130.4
Investments total (excl. acquisitions), EUR million	11.3	13.9	-18.3	25.7
Interest-bearing net debt, EUR million	0.7	-14.9	-105.0	-77.7
Net working capital, EUR million	183.3	211.1	-13.2	138.8
Average number of personnel during the period	9,677	9,720	-0.4	9,811
Average number of shares outstanding, basic	58,909,006	58,967,880	-0.1	58,922,323
Average number of shares outstanding, diluted	59,205,578	59,105,324	0.2	59,085,936
Number of shares outstanding	58,959,664	58,789,424	0.3	58,812,624

The period end exchange rates*:	30.9.2010	30.9.2009	Change %	31.12.2009
USD - US dollar	1.341	1.467	9.4	1.441
CAD - Canadian dollar	1.380	1.604	16.2	1.513
GBP - Pound sterling	0.853	0.919	7.7	0.888
CNY - Chinese yuan	8.997	10.017	11.3	9.835
SGD - Singapore dollar	1.776	2.079	17.1	2.019
SEK - Swedish krona	9.207	10.154	10.3	10.252
NOK - Norwegian krone	7.948	8.502	7.0	8.300
AUD - Australian dollar	1.405	1.695	20.7	1.601

The period average exchange rates*:	30.9.2010	30.9.2009	Change %	31.12.2009
USD - US dollar	1.314	1.365	3.9	1.395
CAD - Canadian dollar	1.361	1.594	17.1	1.585
GBP - Pound sterling	0.857	0.886	3.3	0.891
CNY - Chinese yuan	8.945	9.326	4.3	9.529
SGD - Singapore dollar	1.819	2.011	10.6	2.024
SEK - Swedish krona	9.657	10.718	11.0	10.618
NOK - Norwegian krone	7.990	8.844	10.7	8.726
AUD - Australian dollar	1.467	1.826	24.5	1.773

*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	30.9.2010	30.9.2009	31.12.2009
For own commercial obligations			
Pledged assets	0.0	0.1	0.0
Guarantees	344.8	218.6	212.0
Leasing liabilities			
Next year	30.0	30.4	27.7
Later on	68.3	72.9	71.3
Other	0.1	0.2	0.2
Total	**443.1**	**322.1**	**311.1**

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.

NOMINAL AND FAIR VALUES OF DERIVATIVE FINANCIAL INSTRUMENTS

EUR million	30.9.2010	30.9.2010	30.9.2009	30.9.2009	31.12.2009	31.12.2009
	Nominal value	Fair value	Nominal value	Fair value	Nominal value	Fair value
Foreign exchange forward contracts	217.1	-0.9	189.2	4.9	129.5	2.6
Electricity derivatives	1.9	0.0	1.9	-0.4	2.1	-0.2
Total	**219.0**	**-0.9**	**191.1**	**4.5**	**131.6**	**2.5**

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.

Notes

ACQUISITIONS

During January -September, Konecranes made five small acquisitions which related to machine tool service (MTS) business in Denmark, United Kingdom and United States. In July 2010 Konecranes acquired the service company Bouyer Manutention (BM) based in Tours, France. BM has 38 employees and net sales of approximately EUR 5 million (2009).

The preliminary fair values of the identifiable assets and liabilities of the acquired businesses at date of acquisitions are summarized below.

EUR million	30.9.2010 Recognized on acquisition	30.9.2010 Carrying value
Intangible assets	4.1	0.1
Tangible assets	0.8	0.6
Inventories	0.6	0.4
Account receivables and other assets	1.7	1.7
Cash and bank	1.5	1.5
Total assets	**8.7**	**4.3**
Deferred tax liabilities	0.8	0.0
Accounts payable	0.7	0.7
Other liabilities	1.3	1.3
Total liabilities	**2.8**	**2.0**
Net assets	**5.9**	**2.3**
Acquisition costs	**8.1**	
Goodwill	2.2	
Cash outflow on acquisition		
Acquisition costs	8.1	
Liabilities assumed	-1.4	
Acquisition costs paid in cash	**6.7**	
Cash and cash equivalents of acquired companies	-1.5	
Net cash flow arising on acquisition	**5.2**	

Acquisition of associated company:

On March 23, 2010 Konecranes purchased 29,750 shares (22.0% of the share capital and voting rights) in the Japanese hoist, crane and material handling equipment company Kito Corporation ("Kito"). The purchase price for the shares in Kito was JPY 111,800 per share. The total value of the stake purchased amounted to approximately JPY 3.3 billion (EUR 27 million). The purchase was financed with existing cash reserves.

Furthermore, Kito repurchased 10.0% of the share capital on March 24, 2010. Post the share purchase by Konecranes and the Kito share buyback, Konecranes has approximately 24.4% of the voting rights in Kito.

Increase in ownership interest of a subsidiary:

In June 04, 2010 Konecranes finalized the agreement to increase its ownership in Japanese company MHS Konecranes Co., Ltd. to 100% by acquiring the remaining 35% stake from Meidensha Corporation. The purchase price was recognized as decrease of minority interest and retained earnings.

Quarterly figures

CONSOLIDATED STATEMENT OF INCOME, QUARTERLY

EUR million	Q3/2010	Q2/2010	Q1/2010	Q4/2009	Q3/2009	Q2/2009	Q1/2009
Sales	**393.6**	**377.0**	**306.3**	**428.9**	**368.7**	**431.6**	**442.1**
Other operating income	0.8	0.8	0.8	1.1	0.4	0.8	0.7
Depreciation and impairments	-7.8	-7.6	-7.3	-11.8	-7.4	-6.5	-6.8
Restructuring costs	0.0	-2.7	0.0	-5.1	-13.9	-1.9	0.0
Other operating expenses	-352.3	-346.8	-288.2	-390.9	-337.7	-395.1	-399.2
Operating profit	**34.3**	**20.7**	**11.6**	**22.2**	**10.2**	**28.8**	**36.8**
Share of associates' and joint ventures' result	0.3	0.9	0.1	-0.2	-0.7	-1.4	0.0
Financial income and expenses	-1.8	-0.9	0.7	-3.4	-2.3	0.0	-1.5
Profit before taxes	**32.7**	**20.8**	**12.4**	**18.6**	**7.2**	**27.4**	**35.4**
Taxes	-9.7	-6.2	-3.7	-5.2	-3.0	-7.8	-10.1
Net profit for the period	**23.0**	**14.5**	**8.8**	**13.4**	**4.2**	**19.6**	**25.3**

CONSOLIDATED BALANCE SHEET, QUARTERLY

EUR million	Q3/2010	Q2/2010	Q1/2010	Q4/2009	Q3/2009	Q2/2009	Q1/2009
ASSETS							
Goodwill	76.3	73.9	72.8	71.5	64.4	59.5	58.4
Intangible assets	63.5	65.3	66.5	65.8	60.5	61.1	61.3
Property, plant and equipment	96.1	99.4	96.1	91.3	76.6	75.5	72.7
Other	102.3	97.2	89.5	58.1	54.8	56.5	48.8
Total non-current assets	**338.1**	**335.7**	**324.9**	**286.7**	**256.3**	**252.7**	**241.2**
Inventories	279.6	288.3	271.1	248.2	303.0	322.6	356.7
Receivables and other current assets	419.8	426.4	395.5	387.9	400.5	441.3	468.3
Cash and cash equivalents	103.3	95.1	121.1	137.5	88.5	96.9	116.0
Total current assets	**802.6**	**809.8**	**787.8**	**773.7**	**792.1**	**860.7**	**941.0**
Total assets	**1,140.7**	**1,145.5**	**1,112.7**	**1,060.4**	**1,048.4**	**1,113.4**	**1,182.2**
EQUITY AND LIABILITIES							
Total equity	**415.7**	**405.1**	**373.7**	**407.1**	**389.1**	**385.4**	**379.7**
Non-current liabilities	114.4	113.2	111.8	113.3	93.5	109.3	180.4
Provisions	53.2	59.3	58.6	61.1	54.9	42.9	46.9
Advance payments received	170.8	178.4	183.4	156.7	157.3	175.2	197.1
Other current liabilities	386.6	389.5	385.3	322.2	353.6	400.6	378.2
Total liabilities	**725.0**	**740.4**	**739.0**	**653.3**	**659.3**	**728.0**	**802.6**
Total equity and liabilities	**1,140.7**	**1,145.5**	**1,112.7**	**1,060.4**	**1,048.4**	**1,113.4**	**1,182.2**

Quarterly figures

CONSOLIDATED CASH FLOW STATEMENT - QUARTERLY

EUR million	Q3/2010	Q2/2010	Q1/2010	Q4/2009	Q3/2009	Q2/2009	Q1/2009
Operating income before change							
in net working capital	41.2	29.2	19.3	36.4	17.2	35.4	43.9
Change in net working capital	-2.9	-23.0	10.8	64.4	57.4	23.6	9.5
Financing items and taxes	-6.3	-12.5	-29.6	-10.8	-8.4	-24.6	-20.8
Net cash from operating activities	**32.1**	**-6.3**	**0.5**	**89.9**	**66.2**	**34.4**	**32.6**
Cash flow from investing activities	**-10.9**	**-9.0**	**-35.0**	**-18.4**	**-9.2**	**-8.7**	**-5.0**
Cash flow before financing activities	**21.2**	**-15.3**	**-34.5**	**71.5**	**57.0**	**25.7**	**27.6**
Proceeds from options exercised and share issues	0.0	0.2	0.9	0.2	0.2	0.6	0.7
Related Party net investment to Konecranes shares	0.0	0.0	0.0	0.0	0.0	-7.1	0.0
Change of interest-bearing debt	-6.3	34.6	10.0	-24.1	-64.2	-36.9	38.8
Dividends paid to equity holders of the parent	0.0	-53.0	0.0	0.0	0.0	0.0	-53.3
Net cash used in financing activities	**-6.3**	**-18.2**	**10.9**	**-23.9**	**-64.0**	**-43.4**	**-13.8**
Translation differences in cash	-6.7	7.6	7.1	1.5	-1.4	-1.4	1.3
Change of cash and cash equivalents	**8.2**	**-26.0**	**-16.5**	**49.1**	**-8.4**	**-19.1**	**15.1**
Cash and cash equivalents at beginning of period	95.1	121.1	137.5	88.5	96.9	116.0	100.9
Cash and cash equivalents at end of period	103.3	95.1	121.1	137.5	88.5	96.9	116.0
Change of cash and cash equivalents	**8.2**	**-26.0**	**-16.5**	**49.1**	**-8.4**	**-19.1**	**15.1**

Quarterly figures

QUARTERLY SEGMENT INFORMATION

EUR million

Orders received by Business Area	Q3/2010	Q2/2010	Q1/2010	Q4/2009	Q3/2009	Q2/2009	Q1/2009
Service [1]	152.4	159.1	139.8	121.8	124.5	126.4	125.6
Equipment	240.0	219.6	196.2	262.2	205.9	202.6	263.9
./. Internal	-19.0	-14.3	-15.4	-22.9	-22.0	-19.5	-19.8
Total	**373.4**	**364.4**	**320.6**	**361.1**	**308.5**	**309.6**	**369.7**

1) Excl. Service Contract Base

Order book by Business Area	Q3/2010	Q2/2010	Q1/2010	Q4/2009	Q3/2009	Q2/2009	Q1/2009
Service	111.7	106.5	87.7	75.9	88.1	93.9	109.1
Equipment	585.6	598.3	558.2	547.8	565.6	599.0	701.9
./. Internal	-17.6	-19.5	-4.6	-16.8	-15.3	-12.2	-19.0
Total	**679.7**	**685.2**	**641.3**	**607.0**	**638.4**	**680.6**	**792.0**

Sales by Business Area	Q3/2010	Q2/2010	Q1/2010	Q4/2009	Q3/2009	Q2/2009	Q1/2009
Service	173.2	175.2	148.0	170.5	157.6	169.5	169.7
Equipment	252.6	221.6	185.8	284.0	233.5	293.0	304.6
./. Internal	-32.3	-19.8	-27.6	-25.6	-22.4	-30.9	-32.2
Total	**393.6**	**377.0**	**306.3**	**428.9**	**368.7**	**431.6**	**442.1**

Operating profit (EBIT) by Business Area excluding restructuring costs	Q3/2010	Q2/2010	Q1/2010	Q4/2009	Q3/2009	Q2/2009	Q1/2009
Service	14.6	16.0	9.8	15.8	13.9	15.6	15.7
Equipment	22.0	11.9	6.0	15.4	14.0	20.5	26.8
Group costs and eliminations	-2.3	-4.5	-4.3	-3.9	-3.9	-5.4	-5.7
Total	**34.3**	**23.4**	**11.6**	**27.3**	**24.0**	**30.7**	**36.8**

Operating margin, (EBIT %) by Business Area excluding restructuring costs	Q3/2010	Q2/2010	Q1/2010	Q4/2009	Q3/2009	Q2/2009	Q1/2009
Service	8.4 %	9.1 %	6.6 %	9.3 %	8.8 %	9.2 %	9.3 %
Equipment	8.7 %	5.4 %	3.3 %	5.4 %	6.0 %	7.0 %	8.8 %
Group EBIT % total	**8.7 %**	**6.2 %**	**3.8 %**	**6.4 %**	**6.5 %**	**7.1 %**	**8.3 %**

Personnel by Business Area (at the end of the period)	Q3/2010	Q2/2010	Q1/2010	Q4/2009	Q3/2009	Q2/2009	Q1/2009
Service	5,125	4,938	4,926	4,991	5,033	5,210	5,494
Equipment	4,626	4,583	4,586	4,742	4,334	4,429	4,317
Group staff	44	49	50	49	52	52	55
Total	**9,795**	**9,570**	**9,562**	**9,782**	**9,419**	**9,691**	**9,866**

Sales by market	Q3/2010	Q2/2010	Q1/2010	Q4/2009	Q3/2009	Q2/2009	Q1/2009
Europe-Middle East-Africa (EMEA)	202.1	189.9	173.0	244.2	201.0	236.3	246.4
Americas (AME)	122.0	123.8	86.6	113.7	111.9	121.2	132.7
Asia-Pacific (APAC)	69.5	63.3	46.7	71.1	55.7	74.0	63.0
Total	**393.6**	**377.0**	**306.3**	**428.9**	**368.7**	**431.6**	**442.1**

Personnel by region (at the end of the period)	Q3/2010	Q2/2010	Q1/2010	Q4/2009	Q3/2009	Q2/2009	Q1/2009
Europe-Middle East-Africa (EMEA)	5,562	5,431	5,466	5,533	5,646	5,778	5,626
Americas (AME)	2,217	2,170	2,171	2,236	2,298	2,410	2,654
Asia-Pacific (APAC)	2,016	1,969	1,925	2,013	1,475	1,503	1,586
Total	**9,795**	**9,570**	**9,562**	**9,782**	**9,419**	**9,691**	**9,866**

Analyst and press briefing

An analyst and press conference will be held at G.W. Sundmans' Auditorium (address Eteläranta 16) at 12.00 p.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 12.00 p.m. at www.konecranes.com. Please see the stock exchange release of October 7, 2010, for the conference call details.

Next report

Konecranes' Financial Statements Bulletin 2010 will be published on February 3, 2011.

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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 2009, Group sales totaled EUR 1,671 million. The Group has 9,800 employees, at 545 locations in 43 countries. Konecranes is listed on NASDAQ OMX Helsinki Ltd (symbol: KCR1V).