Annual Review 2007

KONECRANES®
Lifting Businesses™

LIFTING BUSINESSES™

Konecranes is an industry shaping, global group of dynamic Lifting Businesses™.

We have a strong commitment to provide our customers with products and services of unrivalled quality, safety and reliability, which results in improved efficiency and performance of our customers' businesses.

Through applying both our unique knowledge and technology, and responsive service attitude of never letting the customer down, we are able to develop innovative and integrated lifting solutions that our customers can trust.

These solutions help increase customers' productivity and profitability, thus showing that we are not just lifting things, but entire businesses.

KONECRANES ANNUAL REVIEW 2007
contains information on Konecranes' goals, strategy, Business Areas, R&D, corporate responsibility, personnel development and Group management.

KONECRANES FINANCIAL REVIEW 2007
contains information on the Group's corporate governance, the consolidated and parent company financial statements and their notes.

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KONECRANES IN A SNAPSHOT

Konecranes is a world-leading lifting equipment manufacturer serving manufacturing and process industries, shipyards and harbors with productivity enhancing lifting solutions and services. We have all the resources, technologies and attitude to deliver our customer promise – Lifting Businesses™.

SERVICE

Service is provided for all makes of industrial cranes, for port cranes, lift trucks and machine tools. Konecranes has more than 470 service locations across 43 countries, and a total of 4,436 employees.

Products
Inspections, preventive maintenance programs and contracts, on-call services, modernizations, consulting, installations and spare parts.

Market Position
Clear market leader in crane service with the world's most extensive crane service network. Konecranes' market share in the open service market is around 18 percent.

Service Contract Base
More than 292,000 units are under maintenance contract, of which approximately 25 percent are manufactured by Konecranes.

STANDARD LIFTING

Products are marketed through a multi-brand portfolio: the corporate brand Konecranes and free-standing power brands P&H, Stahl CraneSystems, Morris, SWF, Verlinde, R&M, and Meiden. Standard Lifting has a total of 2,479 employees.

Products
Industrial cranes, wire rope hoists, chain hoists, light crane systems and a variety of components. Lifting capacities range from 100 kg to 100 tonnes.

Market Position
The worlds' largest supplier of industrial cranes and wire rope hoists, and one of the largest manufacturers of light crane systems and chain hoists. Worldwide leader in explosion-protected crane technology. Our market share is approximately 15 percent.

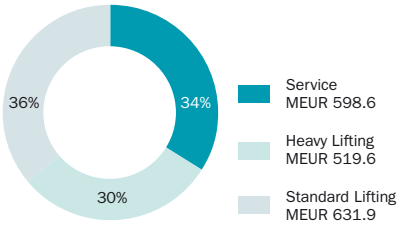
Annual Production
More than 30,000 cranes and wire rope hoists, and tens of thousands of chain hoists.

HEAVY LIFTING

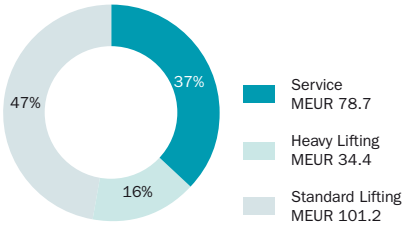
Products are marketed under the Konecranes and P&H brands. Heavy Lifting has a total of 1,272 employees.

Products
Electric overhead traveling (EOT) cranes for process industries, shipyard gantry cranes, shipboard cranes, STS cranes, RTG and RMG cranes, straddle carriers, reachstackers, top lifters, empty container handlers, forklift trucks, crane automation, container positioning systems, crane control systems and heavy-duty components. Lifting capacities typically range from 50 tonnes up to 2,000 tonnes.

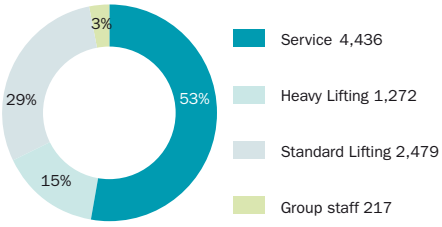
Sales by Business Area 2007



EBIT by Business Area 2007



Personnel in 2007



Market Position
Global leader in engineered and heavy-duty cranes for process industries and in shipyard gantry cranes. Global supplier in container handling equipment, automation and bulk unloading cranes. The market share for process cranes is around 12 percent, for ports and shipyards the market share varies between 5–20 percent depending on the product group.

Annual Production
Several hundreds of heavy-duty cranes, hoisting trolleys and heavy-duty lift trucks.

- Head office and share listing in Finland
- Market leader in industrial cranes and crane service
- 8,400 employees
- Production facilities in nine countries
- Sales in 43 countries
- Industry-leading technology and global modular product platforms

Key Figures

MEUR [1]	2007	2006	Change
Orders received	1,872.0	1,472.8	27.1%
Order book, Dec 31	757.9	571.6	32.6%
Sales	1,749.7	1,482.5	18.0%
Operating profit excluding capital gain	174.7	105.5	65.7
Operating margin excluding capital gain, %	10.0	7.1	
Operating profit EBIT	192,3	105.5	82.3%
Operating margin EBIT, %	11.0	7.1	
Net income	129,2	68.6	88.3%
Earnings per share, EUR	2.17	1.17	85.5%
Cash flow from operating activities per share, EUR	3.08	1.39	121.6%
Dividend per share, EUR	0.80*	0.45	77.8%
ROCE %	50.4	29.5	
ROE %	51.2	36.5	
Net gearing %	7.0	57.3	
Personnel, Dec 31	8,404	7,549	11.3%

[1] Unless otherwise stated
* Board's proposal to the AGM

PRESIDENT'S AND CHAIRMAN'S LETTERS

POISED TO GROW IN A FRAGMENTED MARKET

Year 2007 was again excellent for Konecranes. Our strong growth continued for the third year in a row. Between 2004 and 2007 our sales have almost tripled, to more than EUR 1.7 billion. We now estimate our share of the relevant market to be approximately 15 percent. We have increased our operating profit over the same period almost six-fold, from EUR 31 million to EUR 175 million.

Our growth this year – 18 percent – was mostly organic. While we continued to integrate the two large acquisitions that generated roughly half of our growth in 2006, the new acquisitions – eight in all – were small service and technology companies. As an example I want to mention the acquisition of Savcor One, a software company that develops container positioning and equipment automation applications designed to improve our customers' container handling efficiency.

Konecranes continued to enjoy well-balanced growth across its various business areas and regions. Sales growth was strongest in Europe, Middle East & Africa, and all regions achieved double-digit growth. The fastest order growth took place in Asia-Pacific, but Europe, Middle East & Africa and Americas also posted excellent growth. We continued to expand our business in the world's fast developing markets. We have already had a good presence in China for a few years. Another important milestone was passed in our emerging markets strategy by entering the Indian market with a startup operation that grew from zero to 50 people during the year. Significant progress was made in another high-potential market, Russia, where we received a large number of new orders in the second half of the year. We intend to continue to expand our geographical reach.

Our group profitability development met our expectations, even though growth here was uneven. Standard Lifting and Service made excellent progress. The Heavy Lifting supply chain can still be improved.

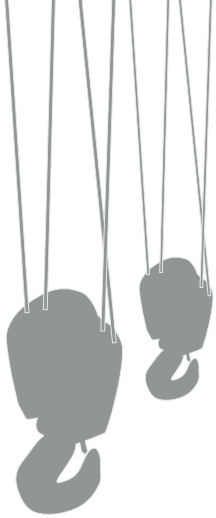
The Group's 10 % EBIT margin target was already met less than a year after the target was raised. The progress from the previous year's 7.1 percent is significant. Profit growth combined with further improved capital efficiency generated a 50.4 percent return on the total capital employed.

The turbulence on the financial markets in the second half of the year did not seem to impact our demand. Our 27 percent growth in new orders exceeded the 18 percent sales growth, which means that we start the new year with an order book 32.6 percent stronger than a year ago. These promising numbers indicate continued growth in 2008, and we also believe that there is potential for further improvement in our margins. However, it is now more difficult to forecast development for the next few years. The long-term fundamentals in our macro environment continue to be strong, as our Chairman points out in his review. As long as economically sound industrial or logistics investments are able to find funding at reasonable terms, our business should continue to develop well. A widespread recession that would significantly reduce investments would of course hurt our market, too.

Regardless of the general economic development, our goal is to continue to increase our share of a market that is still very fragmented. In the services market alone, we estimate that more than EUR 10 billion is spent globally to service and maintain cranes. This market is significantly less cyclical than the new equipment market. Only some 30 percent of this market is open today, i.e. the crane owner has outsourced maintenance to companies like Konecranes. In addition to the general market growth, there is a clear trend towards outsourcing. Our company is best positioned to take advantage of this development, and we therefore expect that services will be a genuine growth business for a long time to come. More than half of our sales in North America are generated by services, reducing our vulnerability to a potential economic downturn.

I would like to thank our shareholders, customers, employees, vendors and all our other partners for their support during the year. We want to serve you as well as possible, also in the future.

Pekka Lundmark
President and CEO



UNEQUALED CAPABILITY FOR GROWTH

2007 was a turbulent year in stock trading. After a very long period of rising valuations in stock markets in all industrialized countries, the summer suddenly brought a change. The triggering factor was the sub-prime loan crisis in the US home loan market.

The sub-prime loans dug deep holes in the balance-sheets of many financial actors.

The sub-prime loan crisis also had large effects outside the US. Through securitization and repackaging, the actors sought to spread and manage the asset risks in their portfolios, thereby spreading the sub-prime loan crisis around practically the whole world.

As a consequence, during the autumn there was profound mistrust among financial actors. The mistrust meant much higher prices for risk, i.e. higher interest spreads, and a significantly reduced availability of liquidity. The securities markets suffered.

This development had a severe impact on Konecranes' share price. Our share peaked at an all-time-high of EUR 34.90 on July 13, 2007. By the year-end, the value was EUR 23.58, almost at the same level as one year earlier. For the valuation of our share, 2007 was a lost year.

Yet, 2007 was a very successful year for the company, with strong growth and record earnings. Details are provided by our CEO in his report.

We must therefore conclude that the miserable stock performance was related to external factors, and was not company specific.

We have good reason to believe in a continuing strong stock performance, as we have seen before, in spite of the difficulties during the autumn. I find many reasons for my optimism.

The world economy is still running strong. Globalization – so harshly criticized by many in our society – has brought better living to hundreds of millions of world citizens, not only in already well off industrialized countries, but in developing countries. This development must continue.

According to conventional thinking, lower American demand must hurt exports from China, and thereby reduce Chinese demand for (European made) production machinery.

Asian trade is, however, no longer as bi-polar Sino-US as before. Instead, trade patterns are becoming multi-polar. Intra-Asian trade is large, growing rapidly. Productivity gains are strong, fueling internal demand and reducing external dependencies.

All of this benefits our company. We are already a global company, the only one in our business. Our early entry into China, and now into India, is paying dividends.

Our strong presence in the US market does not necessarily contain risk in a downturn. Over one half of our American sales is related to service. Along with a depreciating dollar, many American industry sectors find new opportunities in export markets. Our company, being an early cyclical, can already feel this trend. Our American organization also finds new opportunities in South America.

I also want to mention our vast potential in Russia. Konecranes has been in Russia since the 1930's. Now as oil income starts turning into industrial investments we are ready.

Our entry into Eastern Europe was perfectly timed.

Our company has shown an unequaled capability of growth and earnings growth. Our market positions, of which I have named only a few, secure growth opportunities long into the future. Our earnings growth has been good, though our earnings capacity is far from fully exhausted.

All the fundamentals are in place for a good share performance. I want to thank all faithful shareholders for their fidelity, and I want to welcome all new shareholders. Our journey into the future will be interesting and rewarding.

Stig Gustavson
Chairman of the Board

2007 HIGHLIGHTS

RECORD SALES AND PROFIT

In 2007, Konecranes exceeded the 2006 record levels for orders, sales and profits, and succeeded in further strengthening its market position with sales growth of 18 percent. Higher volumes and improved productivity resulted in a 65.7 percent improvement in operating profit. This profit improvement combined with excellent capital efficiency enabled the company to decrease net debt to merely MEUR 19.7. Subsequently, gearing decreased from 57.3 percent to 7.0 percent.

Both Standard Lifting and Service exceeded their EBIT margin targets of 12 percent that were set only at the beginning of 2007. Heavy Lifting, however, suffered from bottlenecks in production and component supply, which led to unsatisfactory profitability despite increasing sales. Nevertheless, the Group EBIT margin improved to 10.0 percent from 7.1 percent, and return on equity rose to 51.2 percent.

STRENGTHENED POSITION IN CHINA - LIFT TRUCK PLANT OPENED IN LINGANG

Konecranes has achieved a market-leading position in China in the high-end product segment, and significant orders were received from customers in the general manufacturing, steel, automotive, paper, waste-to-energy and power industries during the year. In April, Konecranes inaugurated its fourth Chinese plant with production of lift trucks in Lingang. The nationwide network of sales and service branches in China was expanded. Konecranes employs 570 persons in China, where operations also include three joint venture companies for industrial crane manufacturing. Konecranes succeeded in increasing its share of the rapidly growing Chinese crane market.

NEW CUSTOMERS, PRODUCTS AND MARKET AREAS

Konecranes' strong organic growth was the result of both higher penetration in established markets and a broader geographical presence. Significant orders were won from new customers in a wide spectrum of different industries.

In India, Konecranes in October received orders for 173 industrial and process cranes and a five-year maintenance contract from Suzlon Energy Ltd. These large orders form a cornerstone on which to build Konecranes' newly opened operations in India.

In Latin America, Konecranes at the beginning of the year received orders from paper mills and power plants in Argentina and Peru, as well as from the paper industry in Brazil.

The Middle East showed high investment activity and orders came from customers in steel manufacturing and petrochemical industries.

In July, Konecranes received a breakthrough order in intermodal terminals when BNSF Railway, the largest intermodal freight operator in the world, as the first US-based intermodal operator ordered thirteen wide span, high-performance rail mounted gantry (RMG) cranes for Memphis and Kansas City.

In Russia, Konecranes won several significant container and steel mill crane orders including seven STS cranes, twenty RTGs and tens of high-capacity process cranes. HPC Hamburg Port Consulting GmbH, a new customer to Konecranes, ordered four RTG cranes for the port in Odessa, Ukraine. Orders were received in second and third quarters.

Konecranes also strengthened its position in the Mediterranean with an order for 20 RTGs from Malta Freeport Terminals. We received orders for 14 RTGs to Spain and acquired the Italian ports service company Technical Services S.r.l. at the end of July.

The first orders for the newly launched straddle carriers were received in July when the Finnish container terminal operator Steveco ordered three straddle carriers. The German Eurogate Container Terminal Hamburg GmbH ordered ten straddle carriers in August.

Shipbuilding activity was high and Konecranes won orders for several gantry cranes, including design, supervision and components for eight cranes to South Korea.

ACQUISITIONS STRENGTHEN THE MTS BUSINESS AND TECHNOLOGY KNOW-HOW

In July, Konecranes' presence in the Nordic machine tool service (MTS) business was increased through the acquisition of Norwegian Kongsberg Automation AS and Swedish Reftele Maskinservice AB. The companies specialize in preventive maintenance and modernization of computerized numerical control (CNC) machine tools, and have special competence in control systems and in serving eccentric presses.

At the beginning of August, Konecranes increased its know-how and supply in automation through the acquisition of the container handling software specialist Savcor One.

RECRUITMENT AND NEW MEMBERS OF THE MANAGEMENT TEAM

The recruitment of skilled personnel is one prerequisite for growth, particularly in the service business. This challenge was met successfully since the workforce was strengthened by 855 people, of which approximately half are service technicians.

Three new members were appointed to the Group Executive Board during the year. Mr Teo Ottola was appointed Chief Financial Officer (CFO) and started in his new position on August 20, 2007. To increase the focus on sourcing Mr Pekka Lettijeff was in November appointed Chief Procurement Officer (CPO). Mr Lettijeff started in his new position on January 21, 2008. In December Ms Jaana Rinne was appointed Director, Talent Management.

Summary of Significant Releases 2007

January 18, 2007 Konecranes enters straddle carrier business and expands product portfolio.

May 31, 2007 Konecranes receives major repeat order from Malta Freeport Terminals.

June 14, 2007 Konecranes strengthens its position in Russia – repeat orders for over 20 MEUR.

June 20, 2007 Konecranes strengthens its position in growing African markets.

June 28, 2007 Konecranes appoints Teo Ottola as Chief Financial Officer.

July 26, 2007 Breakthrough for Konecranes RMG cranes in intermodal terminals – major order to the US.

July 31, 2007 Konecranes acquires two machine tool service companies in Scandinavia.

August 1, 2007 Konecranes acquires Finnish container handling software specialist.

August 15, 2007 Konecranes acquires ports service business in Italy.

September 20, 2007 Breakthrough for Konecranes straddle carriers in Germany.

September 27, 2007 Konecranes receives third RTG order from Malta Freeport Terminals.

October 11, 2007 Konecranes wins over EUR 20 million orders from South Korean shipyards.

October 17, 2007 Konecranes wins large port crane orders in Russia.

October 19, 2007 Konecranes wins its largest container crane orders to Russia.

November 26, 2007 Konecranes wins major crane and service orders from leading wind turbine manufacturer in India.

A summary of all Konecranes' stock exchange releases for 2007 can be found on www.konecranes.com > Media > Releases.

COMPANY CORNERSTONES

VISION

We want to be the undisputed leader of the lifting industry, and a benchmark for business performance and customer service.

MISSION

We are not just lifting things, but entire businesses.

VALUES

Trust in People: We want to be known for our great people.

Total Service Commitment: We want to be known for always keeping our promises.

Sustained Profitability: We want to be known as a financially sound company.

STRATEGIC CORNERSTONES

Konecranes' Group Strategy is based on the combination of capitalizing on our extensive service network, leading technology, fast paced industrial consolidation and a focus on efficient supply chains, giving us growth and better profitability.

- Best customer service
- Product and service innovation
- Demand driven, cost-efficient supply chain
- Value-creating acquisitions

BEST CUSTOMER SERVICE

Konecranes is committed to always offering the best customer service in the industry. To us, quality of service is based on safety, reliability and high-performing technology with which we improve customers' efficiency and productivity. Even in developed outsourcing markets, an estimated two thirds of all service of lifting equipment is still carried out in-house. Outsourcing this service offers benefits such as improved cost efficiency, safety and increased uptime, and has created a genuine growth market that fuels our organic growth. Our strategy is optimized for tapping into the service industry's global growth potential.

PRODUCT AND SERVICE INNOVATION

Konecranes is committed to developing industry-shaping technologies for both lifting equipment and their service. Using the vast knowledge that we have accumulated by having the world's largest service organization, we know what customers need and how to develop the solutions for

different environments. By combining our service knowledge and new technologies, we create lifting solutions that maximize value to our customers. We minimize downtime and optimize the total cost of ownership.

DEMAND DRIVEN, COST-EFFICIENT SUPPLY CHAIN

Konecranes is transforming itself from a regional buy-make-sell model to a global buy-move-make-move-sell anywhere model. We are geared to respond efficiently to changes in market demand throughout the chain. Our products are based on modularity and standardization, and make use of the latest technology and designs with an efficient use of raw materials. Maintaining a globally uniform product platform gives us valuable flexibility in terms of capacity utilization and resource allocation. Increased production in expanding markets such as Asia and Eastern Europe offers great opportunities to improve both our competitiveness and cost levels. This has involved increasing outsourcing in low-cost countries and outsourcing of own manufacturing. The role of quality management has therefore become of even greater importance.

VALUE-CREATING ACQUISITIONS

The crane industry is still today very fragmented, and Konecranes has the financial and managerial resources to lead the consolidation of the industry. The Konecranes growth strategy is based on continued organic growth in markets where we are established – paired with an aggressive plan for acquisitions to enter new geographical markets or to fill a gap in our product portfolio. Well recognized local or regional brands, with large installed bases, remain the primary target for Konecranes' acquisition policy.

SYNERGETIC BUSINESS MODEL

Konecranes' three business areas are interlinked by a high degree of synergy. Every service customer relationship creates sales opportunities for the other business areas. Also, every crane sold creates opportunities for providing service. The solutions provided by both Heavy Lifting and Standard Lifting complement each other and enable the customers to satisfy most of their lifting needs through one supplier.

BUSINESS ENVIRONMENT

CHARACTERISTICS OF THE INDUSTRIAL AND PORT CRANE MARKETS

The industrial crane industry is still very fragmented compared to many other industries – the five largest companies command less than 40 percent of the global market. But the same economic laws that have led other industries to consolidate are also driving this industry to consolidate. Through acquisitions and organic growth, Konecranes has in the past three years roughly doubled its market share of the total industrial crane market, which is estimated to amount to somewhat more than six billion euros. Simultaneously, Konecranes has grown to roughly twice the size of its closest competitor and gained clear scale advantages.

As cranes are used in nearly all manufacturing industries, the main growth driver is the global growth of industrial production capacity. Demand for industrial cranes increases faster than capacity growth as globalization is leading to production being relocated to low cost locations. This results in some production capacity being shut down, but in many cases the plants are revamped and the lifting equipment modernized to increase productivity. Crane demand is also boosted by the growth in infrastructure investment in developing countries.

In Konecranes' second main area of business – material-handling solutions for ports and intermodal terminals – consolidation has progressed further. In this business, where Konecranes can utilize many synergies with its industrial crane and service business, Konecranes has through organic growth and acquisitions successfully broadened its product supply and strengthened its market position during the past decade.

The main growth driver for material-handling solutions for ports and intermodal terminals is the growth in world trade, and in particular, in container traffic. World trade has grown faster than global GDP for several decades and an increasing proportion of traded goods is shipped in containers. This has led ports and intermodal terminals to invest in more capacity and higher efficiency by adding more material-handling equipment, and by utilizing more reliable and automated solutions. There is a strong consensus that this development will continue for many years as production and trade continues to increase in developing countries.

CHARACTERISTICS OF SERVICE MARKET

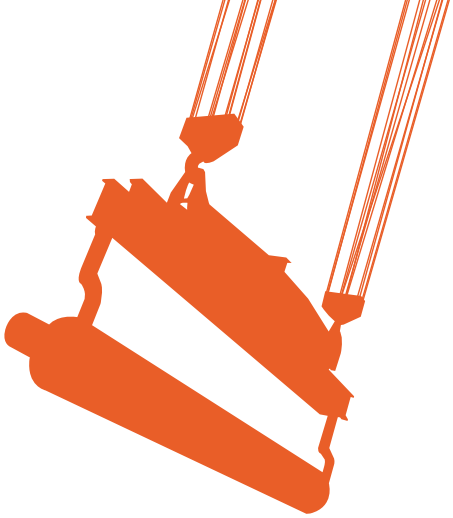
Konecranes estimates that there are at least six million cranes in industrial use globally. As a crane can have a relatively long economic life – up to 30 years or longer when serviced professionally – service costs usually form more than half of the customer's total cost of ownership. The total market for industrial crane and port service is estimated at more than 10 billion euros, and for machine tool service over 20 billion euros. Even in developed outsourcing markets, an estimated two thirds of all service of lifting equipment is still carried out in-house. Therefore, the service market open for competition is over three billion euros for industrial crane and port service, and close to seven billion euros for machine tool service. The captive market is opening up as service outsourcing offers clear customer benefits such as improved cost efficiency, safety and increased uptime. The continuing trend toward outsourcing provides great potential for future business. The service market is still very fragmented and the competition consists mainly of small local companies.

MARKET POSITION AND COMPETITION

Konecranes is the world's leading company in industrial crane solutions and services, and is a strong global challenger in solutions for ports and intermodal terminals. Konecranes has strong positions in the Nordic countries, Germany, France, the UK, the US, Canada, Australia, Russia, Ukraine, many small EU countries, as well as in many countries in the Middle East and Asia-Pacific regions, including India. We have the largest presence in China of all Western vendors.

The competition in service business mainly consists of small local or regional companies. Konecranes challenges these with the most extensive service network in the industry, predictive rather than reactive maintenance, and highly professional technicians.

Competitors in industrial solutions are mostly regional or local companies.



In container handling, there are few global companies providing a large range of equipment. Konecranes' focus is on high-end products, and strong market positions have been achieved in chosen market segments and geographical areas.

CHANGES IN OPERATING ENVIRONMENT DURING 2007

Demand and Volume
Demand for Konecranes' products and services continued to improve in 2007. Industrial production increased in all geographical regions led by strong growth in China and other developing countries. Port investment was also at a high level along with increasing world trade and container traffic. Most industry segments benefited from the strong general economy. Demand especially in the mining, metal processing and petrochemical industries improved due to high metal and oil prices. General manufacturing also benefited from the strong economic development. Capital expenditure in the paper and automotive industries remained at a subdued level. Konecranes benefited from the booming shipbuilding industry with its strong market position in gantry cranes for shipyards.

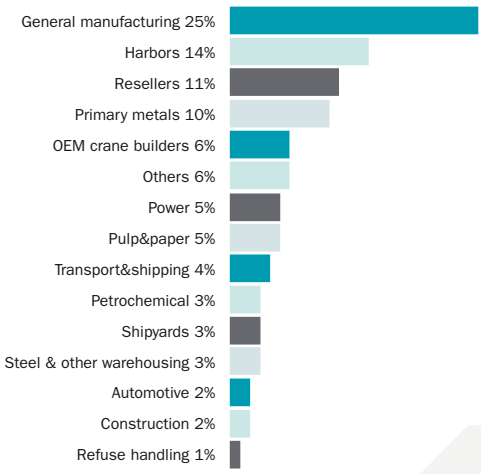
Pricing/Input prices/Component availability/Labor market
Many input costs rose, in particular the cost of raw materials, steel, transportation and labor. Also prices for subcontracted components increased and the strength of the engineering industries resulted in a tight market for a wide array of components, such as special steel components, bearings, gears and large tires. The increase in input costs led to a general rise in crane prices, as most vendors were able to pass the increased costs to customer prices. Punctuality of deliveries of some components suffered from the tight supply situation, and this had an adverse effect on Konecranes' own production processes, causing some delivery delays and additional costs in expediting deliveries, particularly in the Heavy Lifting Business Area.

Besides causing somewhat higher wage increases than usual, the tight labor market also resulted in a shortage of service technicians, which subdued growth in the Service Business Area.

Currency
The depreciation of the USD/EUR rate during 2007 had a negative impact on profits through translational as well as transactional effects. However, currency hedging absorbed part of the impact. Changes in currency rates did not have any significant effect on the competitive situation.

Slowdown of the US Economy/Tight money market
The weakened outlook for the US economy and the tighter liquidity situation in the latter part of 2007 did not have a significant impact on market demand or Konecranes' financial position.

Sales by Customer Industry in 2007



BUSINESS AREAS

GROWING WITH THE COMPANY

"I joined the Konecranes Group in 1993 and I have worked in many capacities over the years. I've handled my current wide range of duties since 1999. These include responsibility for production, quality, guarantees and logistics. I've also been involved in product development, organizational reform and projects relating to IT and Human Resources."

"During my career, Konecranes has expanded beyond recognition and has become a global player in its field. Meanwhile, growth and change have become the routine for every Konecranes employee. The enormous input from individual people has, in fact, been the most important factor for growth, and will continue to be so. That's why staff are trained, given incentives and encouraged to face challenges and innovation in their own jobs. I myself have also grasped these opportunities over the years."

"It's wonderful to watch the passion and dedication Konecranes Group puts in on behalf of its customers, in all its divisions around the world. It's great to be part of this community, where everybody has the same goal and is conscious of his or her own professional skills and top class expertise."

"Konecranes is well known as a good employer. Over the years many have left, only to return soon."

Troy Post (37),
Director of Operations,
Standard Lifting,
Supply, North America

SERVICE

Even today, more than two thirds of all crane servicing is carried out by crane owners themselves. In order to be more competitive and cost-efficient, owners are increasingly buying their crane maintenance from outside.

High capacity utilization of customers' production facilities and the continuing trend to outsource crane maintenance and services are the main drivers for Konecranes Business Area Service. This is proven by the positive development of the Konecranes service contract base – the monetary value of which increased 15 % in 2007, exceeding the 100 million euro milestone.

SERVICES, SERVICE SUPPLY AND CUSTOMER BASE

Konecranes' services are divided into five different levels, which are built up from different service modules: inspections, preventive maintenance, on-call services, modernizations, consulting, installation and spare parts.

Konecranes' Service customers range from repair shops and general manufacturing sites with only a few cranes, to large paper and steel mills with hundreds of cranes, and harbors, which require 24-hour crane functionality.

To be able to offer the highest lifecycle value to all Konecranes customers in different industries with various needs, Business Area Service is divided into five business units: Industrial Crane Service, which forms the backbone to all service operations for industrial customers worldwide; Port Service, specializing in harbors; Machine Tool Service, offering a wide range of services to workshops for machine tools; Modernizations, providing solutions extending the crane's lifetime and increase capacity; and Spare Parts, providing all Konecranes customers with spare parts through an efficient worldwide distribution and service network.

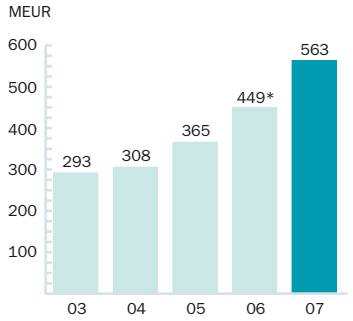
The five Service business units support each other and have strong synergies based on the use of the service concept developed during the last 50 years – a combination of global technology and local knowledge.

Konecranes is committed to providing the best customer service, through the largest service network in the industry and highly professional technicians. Konecranes' operative service business is run through 284 branches with more than 470 service locations in 43 countries. At the end of 2007, Service had 4,436 service employees, of whom 3,110 were highly qualified technicians.

SERVICE CONCEPT

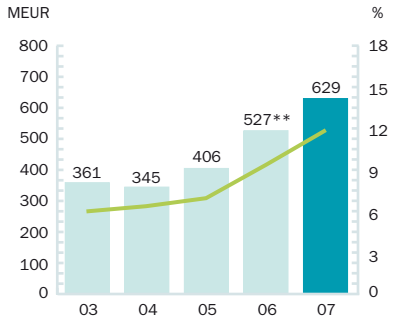
Konecranes aims at building long-term relationships and developing cooperation with existing customers to be able to provide more comprehensive service. This is extremely important especially for ports and process industry customers, where cranes are a critical part of the production process. Close customer relationships and knowledge of

Order Intake 2003–2007



Including internal items, excluding contract base.
*2006 restated according to new reporting method.

Sales* and EBIT Margin 2003–2007



*Including internal items.
**2006 restated according to new reporting method.

crane performance and requirements are used to develop innovative solutions in response to customer needs.

YEAR 2007

Strong markets and gains in market share supported Konecranes' Service growth in all regions. The contract base developed well and now includes more than 292,000 cranes.

Several acquisitions related to service were made during the year. In January, Konecranes acquired the maintenance service business of a small Swedish-based company El & Travers. In March, Konecranes made an asset purchase agreement with the Spanish company Sistemas de Elevación, operating in the field of port service. Konecranes strengthened its position in the Machine Tool Service business in July by acquiring two companies in Scandinavia: Reftele Maskinservice AB in Sweden and Kongsberg Automation A/S in Norway.

At the end of July, Konecranes also strengthened its service organization in the Mediterranean area by acquiring the ports service business of the Italian service company Technical Services S.r.l.

In 2007, the service network grew with added service branches e.g. in the US, India, China, Finland and Denmark.

KEY FIGURES

	Part of group total %	2007	2006*	Change
Sales**, MEUR	34	628.6	526.6	19.4 %
Operating income, MEUR	37	78.7	53.0	48.5 %
Operating margin, %		14.0	11.8	
Order intake**, MEUR	28	563.0	448.5	25.5 %
Personnel	53	4,436	3,923	13.1 %

*2006 restated according to new reporting method.
**Including internal items.

STANDARD LIFTING

The key business driver for Konecranes Standard Lifting is the activity in global industrial manufacturing. In many emerging economies, new manufacturing capacity is being built, while in more developed countries the focus is on expanding capacity and improving productivity, reliability and safety of cranes and lifting equipment in existing facilities.

Our Standard Lifting Business Area is continually developing its product supply and supply chain to serve these different needs and aims to continue strengthening its leading market position through both organic growth and acquisitions.

PRODUCTS, PRODUCT SUPPLY AND CUSTOMER BASE

Konecranes Standard Lifting is the world's largest supplier of lifting equipment for industrial purposes. The product range includes industrial cranes, workstation cranes, wire rope and chain hoists, and crane components.

Standard Lifting has a wide and diverse global customer base. A typical customer is a factory or a workshop operating in the general manufacturing sector, and automotive, paper, warehousing, entertainment and petrochemical industries.

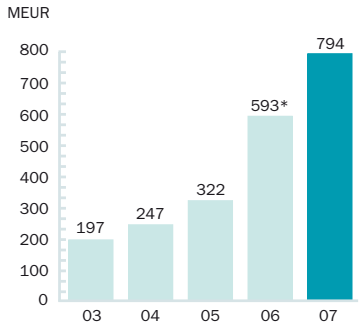
Production is based on our own assembly and manufacturing plants, and on a network of key suppliers and strategic partners. The main manufacturing plants are in Finland, China, the US, Canada, France, Germany and the UK. The network of suppliers and partners covers traditional industrial areas worldwide, including countries like China, Estonia and several Eastern European countries.

Industrial cranes, hoists and services are marketed to end customers predominantly under the Konecranes brand. Also the brands P&H, Stahl CraneSystems and Morris serve end customers in selected markets and operate via distributors in other areas. The independent power brands SWF Krantechnik, Verlinde, R&M Materials Handling and Meiden Hoist System sell their products via independent crane builders and distributors. These channels complement each other and guarantee comprehensive market coverage globally.

STANDARD LIFTING CONCEPT

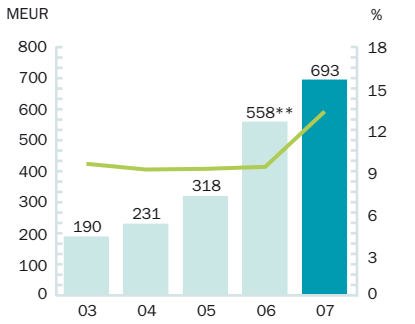
Standard Lifting offers modern, safe and productive lifting solutions with lifting capacities ranging from 100 kg to 100 tonnes. Cranes and components are manufactured according to a pre-engineered, modular concept. The wire rope and chain hoist products are based on global product platforms, which enable full utilization of scale benefits in manufacturing, purchasing and R&D. This, together with a high volume, enables Standard Lifting to offer solutions which are technically advanced and give customers the best return on their investment.

Order Intake 2003–2007



Including internal items.
*2006 restated according to new reporting method.

Sales* and EBIT Margin 2003–2007



*Including internal items.
**2006 restated according to new reporting method

YEAR 2007

The integration of MMH in the US and Stahl Crane Systems in Germany continued successfully. Standard Lifting's geographical presence expanded when it began its own operations in Pune, India. By the end of the year, Konecranes India was fully operational both in new equipment sales and supply, as well as in servicing.

For the entire Business Area, the economies of scale and tight cost control were clearly visible during the year. This led to improved financial returns. Volume growth and increased output capacity in supply operations were challenges that were met successfully. The volume balance between the continents continued to develop in the right direction. The growth rate was highest in the Asia Pacific area, yet EMEA remained the region with the largest volume.

Standard Lifting's order volume consists of numerous transactions. One project that can be mentioned as a significant milestone during the year, was the order received in India from the leading wind turbine manufacturer Suzlon Energy Ltd. A total of 173 industrial and process cranes will be delivered to Suzlon during the second and third quarter of 2008.

KEY FIGURES

	Part of group total %	2007	2006*	Change
Sales**, MEUR	36	692.6	558.4	24.0 %
Operating income, MEUR	47	101.2	51.5	96.5 %
Operating margin, %		14.6	9.2	
Order intake**, MEUR	39	793.8	592.7	33.9 %
Personnel	29	2,479	2,333	6.3 %

*2006 restated according to new reporting method.
**Including internal items.

HEAVY LIFTING

The market drivers for the Heavy Lifting Business Area are the growth, rationalization and relocation of the pro-cess-type of industries on one hand, and increasing world trade with growing freight volumes on the other.

Lately, growth has also been fueled by globalization, the rising need for industrial raw materials, increasing energy demand, environmental issues, the booming shipbuilding industry and strong economic growth in developing and transitional economies like Russia and China. Heavy Lifting's sales have more than doubled in three years from 214.1 million euros in 2004 to 549.0 million euros in 2007.

PRODUCTS, PRODUCT SUPPLY AND CUSTOMER BASE

Konecranes is the world's leading provider of heavy-duty cranes for process industries and shipyards, and a significant global supplier of cranes used in ports and intermodal terminals, and high-capacity lift trucks for all these industry segments.

Heavy Lifting's modern electric overhead traveling process cranes are mainly used in waste-to-energy plants, metal industries, power plants, general manufacturing, paper mills and the petrochemical industry.

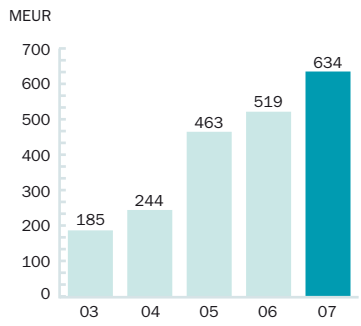
The container-handling product range comprises ship-to-shore (STS) cranes, rubber tired gantry (RTG) cranes, rail mounted gantry (RMG) cranes, straddle carriers, reachstackers and other high-capacity masted lift trucks. Lift trucks are also used in logistics and industrial applications. Konecranes' Goliath gantry cranes are used in shipyards and grab unloaders in bulk material terminals. Recent additions to the container handling product range are automation products from the acquired company Savcor One. These include an intelligent container positioning system and DGPS-based steering systems used in RTG cranes.

Assembly of cranes, lift trucks and key crane components such as trolleys is carried out in our own manufacturing facilities in Finland, Sweden, China, the UK and the US. Components for Heavy Lifting products are sourced worldwide including strategic manufacturing partners in Poland, Slovakia, Ukraine, Estonia, China and Thailand.

HEAVY LIFTING CONCEPT

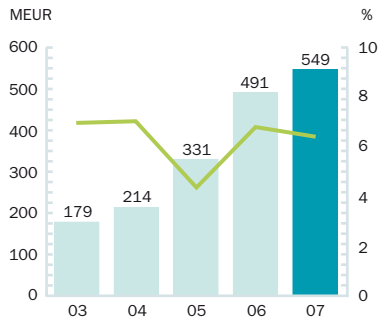
Our aim is to deliver the highest value to our customers by maximizing the productivity of uptime and minimizing the cost of downtime. This is a crucial issue for the process industry and ports. The Heavy Lifting Business Area works in close cooperation with its customers. To be able to offer high-quality, safe and reliable products, it is vital for us to nurture long-term customer relationships and understand our customers' needs. Konecranes' predictive services combined with reliable products enable our customers to improve their long-term profitability.

Order Intake 2003–2007



Including internal items.

Sales* and EBIT Margin 2003–2007



*Including internal items.

YEAR 2007

The year consisted of several highlights such as the successful commissioning of an ultramodern, automated rail-mounted-gantry (RMG) container yard project in the US.

During the year, Konecranes also entered into a new product segment, straddle carriers. The straddle carrier technology was acquired at the beginning of the year and in summer the first orders were booked. Konecranes also succeeded in further strengthening its position in harbors and terminals on the Baltic Sea, the Black Sea and in the Mediterranean area, partly through major orders from Russia, Ukraine, Spain and Malta. Also the acquisition of an Italian port service company supports the company's future growth in the Mediterranean. Success with the modern RMG-cranes for intermodal operations continued in the US with a large order. Konecranes increased its know-how and supply in automation through the acquisition of the container handling software specialist Savcor One.

The opening of a new lift truck factory in Lingang in China supported growth of this business, and the production ramp-up proceeded as planned. The world's major shipyards showed their trust in Konecranes Goliath gantry cranes through several orders.

On the process crane side, a major step was the launching of a modularized waste-to-energy handling system. Depending on the customer's preference, operations can be manual, semi-automated or even fully automated with various capacity options. In Russia, Konecranes also benefited from strong demand for process cranes, especially from the steel industry.

KEY FIGURES

	Part of group total %	2007	2006	Change
Sales, MEUR	30	549.0	490.8	11.8 %
Operating income, MEUR	16	34.0	33.6	1.2 %
Operating margin, %		6.2	6.8	
Order intake*, MEUR	32	633.9	519.2	22.1 %
Personnel	15	1,272	1,131	12.5 %

*Including internal items.

REGIONAL OVERVIEW

Historically, the western world has clearly been the largest market for industrial lifting solutions, since industrial production was concentrated in this area.

This picture has changed in the past few decades with the growing presence of the Asia-Pacific region, in particular China, as well as other developing countries where industrial production has increased very rapidly. Today, the market for lifting equipment is growing fastest in the developing countries, but the mature regions continue to be the largest market when the service business is included.

AMERICAS

Konecranes holds a very strong position in the Americas, particularly in the US. The Americas accounted for 34 percent of 2007 net sales. The US is the most developed region in terms of outsourced crane services, more than half of Konecranes' sales in the Americas is related to service.

- President, Region Americas: Tom Sothard
- Largest markets: the US, Canada and Mexico
- Operations: employees 2,438, service locations 107
- Manufacturing: 10 plants manufacturing hoists, P&H industrial & process cranes
- Key brands: Konecranes, P&H, Stahl, R&M

EUROPE, MIDDLE EAST AND AFRICA (EMEA)

EMEA is clearly Konecranes' largest region, accounting for 54 percent of 2007 sales. This vast area comprises both mature markets with a high proportion of service sales, and fast growing economies where service is still small compared to equipment sales. The degree of outsourced service also varies widely from country to country.

- President, EMEA: Pierre Boyer
- Operations: employees 4,724, service locations 134
- Key brands: Konecranes, Morris, Stahl, SWF, Verlinde

Europe

The region includes both mature and fast growing economies. The mature markets include Western, Southern and Northern Europe. Customers focus on high efficiency and productivity in material handling to offset high labor costs. Service represents a high proportion, between 30–70 percent of sales, but it varies largely between countries.

- Largest markets: Germany, Finland, the UK, France, Russia, Sweden

The fast growing markets include Russia, Ukraine, Turkey, the Baltic countries, Hungary, Poland and Romania. These countries are upgrading and expanding capacity in infrastructure, heavy industry and general manufacturing. Konecranes' main areas of business are steel and metals industries, energy and ports. Service forms a low percentage, below 30 percent, of sales.

Middle East

The Middle East shows strong growth, driven by investments in infrastructure, the petrochemical industry and general manufacturing. Main areas of business for Konecranes are ports, petrochemical and general manufacturing. Service is a low percentage of sales.

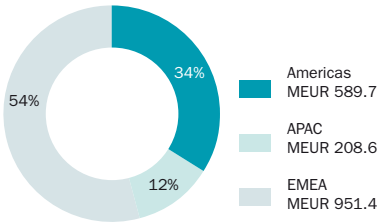
- Largest markets: Saudi Arabia, U.A.E. Egypt

Africa

Konecranes focuses on North Africa, South Africa and the growing business along the coasts. Main areas of business are ports, metals and mining.

- Largest markets are South Africa, Morocco, Kenya

Sales by Region 2007



ASIA-PACIFIC (APAC)

This is the fastest growing region due to the strong growth in logistics and industrial production in China, and the strong growth in shipbuilding in Korea. The region includes both mature (Australia, New Zealand, Singapore, Hong Kong, Japan, Korea) and fast growing economies (China, India, Indonesia, Thailand, Malaysia, Vietnam). Pronounced business from the end-customer segments: power, general manufacturing, paper, steel and shipyards.

- Key brands: Konecranes, Stahl, SWF, Meiden

Northeast Asia

This area includes three very large markets: China, South Korea and Japan. Local companies dominate the markets. In China, Konecranes has been the most successful of the Western companies with products for the high-end segment of the market.

- President, Northeast Asia: Harry Ollila
- Largest markets: China, Korea, Japan
- Operations: employees 701, service locations 24, manufacturing and joint ventures

South Asia, Pacific

- President, Southeast Asia, Pacific: Edward Yakos
- Largest markets: Australia, New Zealand, Singapore, Thailand, Malaysia, India, Indonesia and Vietnam
- Operations: employees 515, service locations 40

INTERNATIONAL EXPERTISE

"I joined the Konecranes organization three years ago. At that time my Vietnamese wife and I relocated from South Africa to China. Initially I was appointed General Manager of the company's Lift Truck division in China, tasked with developing our strategy in this vast market. My responsibilities have rapidly grown and subsequently I head up the Ports division for Northeast and Southeast Asia. Our family home is in Shanghai."

"Across the Asian region, Konecranes has been building up its business on a solid and sustainable basis. This includes our division that has experienced significant growth in the past few years. We have expanded our network across China and increased our sales effort throughout Southeast Asia. We have invested heavily in staff education, training and development."

"As our business expands, much of my time is spent travelling, to meet clients and colleagues or to attend trade fairs. Actually, it's hard to describe a normal workday or the routines that go with it. My cell phone and laptop computer have become my most important tools and means of communication."

"Konecranes invests in skills and client relations. A dynamic market leader understands that its success ultimately depends on its clients."

"I appreciate the challenges and opportunities for development that the company offers me. Here I can make use of my previous skills and learn new ones. It's been an unforgettable experience to see how people with extremely different backgrounds, nationalities and experience can form partnerships and work unstintingly on behalf of the Konecranes Group."

Ryan Flynn (36),
Director, Ports,
Northeast and Southeast Asia

PRODUCTS

FROM TRAINEE TO BUSINESS MANAGER

"I've worked for the company since 1991, when I started as a trainee in the Springfield design unit. A year later I did my diploma work for the Service division in Finland, and since then I've held a number of different jobs in different units."

"Since the end of 2006 I have been responsible for the crane service business worldwide, for developing it, for support, technical training, process and business systems. My days vary, involving such things as monitoring and planning sessions for development projects, various work and management meetings and keeping in touch with key people in different units as well as my own staff and customers."

"Konecranes has offered me an interesting career, an international working environment and diverse and challenging duties. There is a lot of drive to work together within the company, which you feel as a desire to invest both in the business and the personnel development."

"Although Konecranes has burgeoned into a global player, it still retains the advantages of a small company – flexibility, enterprise and a culture of service. To me the "Konecranes spirit" means uncompromising commitment to service, applying solid know-how for the good of our customers and a desire to exceed expectations."

Marko Äkräs (41),
Director,
Crane Service

PRODUCT OVERVIEW

Forward-looking exploitation of technology in the development of equipment and service concepts has made Konecranes a global trailblazer in crane technology.

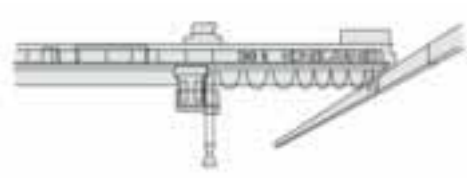
Konecranes is developing efficient products to increase productivity through highest life cycle value, but also taking safety and environmental aspects increasingly into consideration. Life-long safety and reliability of lifting equipment are the main criteria for Konecranes' product development.

New products in 2007 included container handling software, following the acquisition of the Finnish software company Savcor One Oy, and straddle carriers based on technology acquired at the beginning of the year.

SERVICE, MODERNIZATION AND MACHINE TOOL SERVICE
activities are aimed at maximizing the availability of the equipment, while minimizing the ownership costs.

LIGHT LIFTING SYSTEMS
are used for products and ergonomic handling of loads up to 7,500 kg.

INDUSTRIAL CRANES
feature the CXT hoist for lifting capacities up to 100 tonnes.



PROCESS CRANES
are engineered for heavy duty lifting up to 1,000 tonnes or more.

FORKLIFT TRUCKS
with lifting capacities of 10 to 60 tons are used for transporting materials in process industries and ports.

REACH STACKERS
are used to stack containers in small and medium-sized terminals and railroad terminals.

STRADDLE CARRIERS

are used for transporting containers from the shipside to the container yard and to the loading area.

YARD CRANES

include RTG and RMG cranes used for stacking containers high and wide in ports and intermodal terminals.

SHIP-TO-SHORE CRANES

are used for loading and unloading containers from ship to quay.

GOLIATH SHIPYARD CRANES

span over 150 m and are used for handling ship sections in shipbuilding.

CONTAINER HANDLING SOFTWARE

ensures that the container yard inventory is 100 % accurate, by monitoring and measuring the productivity of activities through efficient positioning and autosteering.

BRANDS

The Group's brand strategy is based on the corporate and master brand, Konecranes, complemented with freestanding power brands – these include Meiden, Morris Material Handling, P&H, R&M Materials Handling, Stahl CraneSystems, SWF Krantechnik and Verlinde.

PRODUCT RESEARCH AND DEVELOPMENT

In its strategy revision of 2007, Konecranes renewed its commitment to developing technology that would push the entire industry forward, both in the manufacture of lifting equipment and in maintenance. The open-minded use of technology has raised Konecranes to the position of pioneer in lifting technology.

Being the forerunner entails responsibility, both in the development of high performance products that raise productivity and in paying greater attention to safety and environmental aspects. The primary starting point for Konecranes product development is the enduring safety and reliability of its cranes throughout their entire working life. Technology is not an end in itself, it's a matter of using it to achieve real benefits and added value for the customer.

SAFE, ENERGY EFFICIENT LIFTING

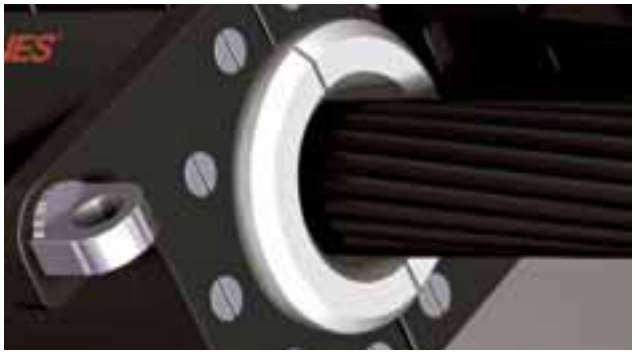
A good example of using technology is the precise, detailed equipment information provided by the computer-based Crane Management System, CMS, coupled with Konecranes' vast service contract base and predictive maintenance concept. The system enables us to ensure the safe and uninterrupted use of cranes throughout their entire life span. Thus, our product development work fulfills our promise of Lifting Businesses™.

The efficient use, recyclability and energy efficiency of materials are key aspects of Konecranes Group product development. More than 98 percent of the material in a typical Konecranes crane can be recycled, and our hoists and lifting trolleys have long been pioneers in our industry when it comes to space efficiency. A good example of this is the world's most compact hoist, Konecranes CXT.

In 2007, Konecranes also delivered the first of the new generation RTG cranes, which have been designed particularly to take account of future environmental demands. Konecranes RTG cranes are among the most energy - efficient on the market and their fuel consumption can be further improved by about 30 percent, using various control systems.

NEW LABORATORY FACILITIES AID PRODUCT TESTING

When it comes to raising electric motor efficiency, modern inverters are unsurpassed. Fitted with such devices, motors are increasingly able to convert as much as 70 percent of the braking energy back into the grid. We were the first in the world to make inverter technology a standard feature across our entire broad range of products, from the smallest chain hoist to the most gigantic yard crane. Thus an



Innovative technology has always been the essence of our business, and we continuously strive to increase the performance and raise the quality of our products.

ever increasing body of users can enjoy such benefits as stepless speed control and sway prevention. Konecranes has thus reset the standards for the entire industry.

Close cooperation with educational and research institutions in our field is also vital to our development work. And with our new product development laboratory, completed in 2007, testing is even easier. In fact, testing in our own facilities and other research establishments is an essential part of our development work. Active participation in the industry's international development work gives us a strong platform and detailed knowledge of the main technological trends in the field.

CORPORATE RESPONSIBILITY

GLOBAL PERSONNEL MANAGEMENT

"I have worked in various capacities with Konecranes Group personnel management for four years. Since the beginning of 2008, I have been charged with running – and developing – the entire firm's Human Resources Development department."

"My day consists of all kinds of staff management questions, from recruitment to labor relations and staff training, where I support the work of the unit supervisors. There are plenty of challenges and surprises in a global enterprise, but then, that's what the job's all about."

"The fascination in this job is working with different kinds of people, the independence, the challenge and the variety. The company's strengths are its long history, its international character, a good "we" spirit, pride in our products as well as understanding our clients and having enduring customer relations. It's rewarding to create new development opportunities for staff like this."

"I'm proud to be part of the Konecranes organization. One of the company's important core values is trust and faith in people's abilities. I try to fulfill this myself every day, and to remind others of it. In the end, people are the power that makes the Konecranes organization strong, reliable and flexible."

Kati Laitsaari (34),
Director,
Human Resources
Development

SAFETY AND FINANCIAL RESPONSIBILITY

Everything we see around us has been lifted, one way or another. Lifting plays an important role in almost all the world's goods handling processes, and without it material flows would stop.

The Konecranes Group desires to be the undisputed leader in the lifting industry and an example of successful business and good customer service.

Leadership in our industry demands that we act responsibly in accordance with the principles of sustainable development. In defining and reporting on its corporate responsibilities, Konecranes applies the principles of the Global Reporting Initiative (GRI), in which corporate responsibility means shouldering financial, social and environmental responsibility. In practice, this means that by acting responsibly Konecranes seeks to raise shareholder value while respecting its staff and its worldwide operating environment.

SAFETY

Safety has always played a central role in the Group, and this was linked even more closely with the company's regular operational reporting during 2007. At the same time, the Group's common safety principles were published, which both management and personnel committed themselves to following. Konecranes safeguards the health and safety of every employee – this is the primary objective of the organization. No job is so important or urgent that we would not have the time to undertake it safely and properly. Our deeply rooted organizational safety culture means that we also promote the safety of our customers and subcontractors, we deliver lifting equipment that conforms to safety regulations.

For us, safety is an ongoing process that begins with the company's most senior management. This is shown by the fact that during 2007 every management meeting, whether at Group headquarters or in any other geographical area or unit has begun with safety issues. At the same time, we have also unified our safety management and monitoring system covering the entire Group, which will be introduced during 2008. Once the system is running, all our factories and places of operation will employ common safety procedures.

FINANCIAL RESPONSIBILITY

Financial responsibility means ensuring that over the long term the company will remain profitable and competitive. Thus, can we fulfill our shareholders' profit expectations whilst promoting the well-being of our staff and our operating environment. A healthy financial result is essential for business to continue and to ensure sufficient resources for environmental management and dealing with social issues.

The priority of the Konecranes Group is to create added financial value for its various stakeholders. The most important of these are the shareholders, customers, employees, goods suppliers and other partners, official

bodies, local communities where we operate and the media. Konecranes has set itself challenging financial targets, which are regularly monitored and which also form the basis of the company's incentive system.

Our emphasis is on continual, healthy profitability and long term return on investment for our shareholders. To achieve these things, we must meet the expectations of our other stakeholders, too. This means providing our customers with high quality products, solutions and services that boost the customers' activities whilst creating long term, mutually responsible partnerships with our suppliers. Equally, we offer our employees competitive remuneration and good working conditions and promote the well-being of local communities everywhere the Konecranes Group operates.

GROUP EXECUTIVE BOARD

1. Hannu Rusanen 2. Edward Yakos 3. Peggy Hansson 4. Harry Ollila
5. Pierre Boyer 6. Mikko Uhari 7. Tom Sothard 8. Pekka Päkkilä
9. Mikael Wegmüller 10. Arto Juosila 11. Ari Kiviniitty
12. Pekka Lundmark 13. Sirpa Poitsalo 14. Teo Ottola

JOHAN AHLROTH

GROUP EXECUTIVE BOARD

PHOTO: JOHAN AHLROTH

Hannu Rusanen b. 1957
President, Service Business Area
Member of the Executive Board since 2004.
Employed 2003. M.Sc. (Eng.)

Primary working experience
Country Executive Nordic, 2003 – 2006; Vice President, Service, ABB Finland, 1995–2002. Various management positions at Tampella Oy 1982–1995 in Finland and in the U.S.A.

Shares 10,000

Option to acquire 56,000 shares

Edward Yakos b. 1959
President, South Asia Pacific (Australia, New Zealand, Singapore, Thailand, Malaysia, Indonesia, Vietnam, Philippines, India).

Member of the Executive Board since 2005.
Employed 1992. B.Sc. (Eng.), MBA

Primary working experience
Managing Director, Konecranes Pty Ltd (Australia) 1998–2005; Marketing Manager, Maintenance Services, North America 1992–1998. Various managerial positions at Harnischfeger (P&H) Industries, Inc. 1978–1992.

Shares 30,000

Option to acquire 30,000 shares

Peggy Hansson b. 1967
Director, Competence Development.
Member of the Executive Board since 2003.
Employed 1991. M.Sc. (Adult Education)

Primary working experience
Manager, Knowledge and Personnel Development, 1998–2003; Manager, Internal Development, 1995–1997. Other current key positions of trust: member of Technology Industries of Finland Working Group for Education, Training and Labour; Member of the Board of Directors of Edutech – The Centre for Continuing Education at Tampere University of Technology

Shares 1,500

Option to acquire 5,000 shares

Harry Ollila b. 1950
President, Northeast Asia (China, Korea and Japan).
Member of the Executive Board since 1994. Employed 1991. M.Sc. (Eng.)

Primary working experience
Group Vice President, Group Development, 2001–2005; Country Executive, Europe, 1997–2001; Technical Director, 1994–1997. Various positions at A. Ahlström Osakeyhtiö, 1972–1991, including: Technical Director, Ahlström Pyropower 1986–1991; Director of Projects and Engineering, Pyropower Corp., the U.S.A. 1981–1986.

Shares 128,000

Option to acquire 138,000 shares

Pierre Boyer b. 1959
President, EMEA (Europe, Middle East & Africa).
Member of the Executive Board since 2006.
Employed 2006. HEC Paris

Primary working experience
Various positions at Carrier Corporation, a division of United Technologies Corporation: Director, Commercial Refrigeration, EMEA 2005– ; Managing Director, Carrier-ERD Distribution, Netherlands and France 2004– ; Managing Director, Carrier-Fincoil Oy, Finland 2001–2003; Director, Marketing and Product Planning, Carrier Refrigeration Operations, U.S.A. 1999–2001; Director, Sales and Marketing, Carrier Transicold Europe, France 1995–1999. Prior to joining Carrier, Boyer worked at the Groupe Legris Industries' mobile crane division, PPM.

Shares –

Options to acquire 40,000 shares

Mikko Uhari b. 1957
President, New Equipment Business Areas.
President, Heavy Lifting.
Member of the Executive Board since 1997.
Employed 1997. Lic. Sc. (Eng.)

Primary working experience
President, Harbour and Shipyard Cranes, 1997–2003; President, Special Cranes (Heavy Lifting) 2004– ; President, New Equipment Business Areas 2005– . Various managerial positions at Wood Handling Division, KONE Corporation 1982–1997 (Andritz as of 1996–) including: Director, Wood Handling Unit, Finland 1990–1992; Group Vice President, Project Business 1992–1996; Group Vice President, Marketing 1996–1997.

Shares 41,350

Option to acquire 73,000 shares

Tom Sothard b. 1957
President, Region Americas.
Member of the Executive Board since 1995.
Employed 1983.
B.Sc. (Marketing)

Primary working experience
President, Global Maintenance Services, 2001–2006; Group Vice President, North America, 1995–2002; President, Maintenance Services, North America 1989–2001; Vice President, Maintenance Services, North America, 1984–1988; District Manager, Robbins and Myers 1980–1984.

Shares 2,000

Option to acquire 92,000 shares

1. Hannu Rusanen 2. Edward Yakos 3. Peggy Hansson 4. Harry Ollila
5. Pierre Boyer 6. Mikko Uhari 7. Tom Sothard 8. Pekka Päkkilä
9. Mikael Wegmüller 10. Arto Juosila 11. Ari Kiviniitty
12. Pekka Lundmark 13. Sirpa Poitsalo 14. Teo Ottola

Pekka Päkkilä b. 1961
President, Standard Lifting.
Member of the Executive Board since 2003.
Employed 1987–1998, 2001
B.Sc. (Eng.)

Primary working experience
Director, Industrial Cranes & Components, 2002–2003; Director, Branded Products, Standard Lifting Equipment, 2001–2002; Sales Manager, Naval Oy, Finland 1998–2001; Regional Manager, Hoists & Components Center, Springfield, the U.S.A. 1993–1998

Shares 5,000

Option to acquire 60,000 shares

Mikael Wegmüller b. 1966
Director, Marketing and Communications.
Member of the Executive Board since 2006.
Employed 2006. M.Sc. (Marketing)

Primary working experience
Chief Operating Officer, Publicis Helsinki Oy 2003–2006; Director, SEK & GREY Oy 2000–2003; Planning Group Director, Publicis Törmä Oy 1997–2000; Sales and Marketing Manager, Finelor Oy (now L'Oreal Finland Oy) 1993–1997; Product Group Manager, Chips Abp 1991–1993.

Shares 500

Option to acquire 10,000 shares

Arto Juosila b. 1955
Group Vice President, Administration and Business Development
Member of the Executive Board since 1994.
Employed 1980. M.Sc. (Econ.)

Primary working experience
Chief Executive, Region Asia-Pacific, 2003–2005; President, Standard Lifting Equipment, 1998–2003; various positions within the Hoist Group, 1990–1998; Managing Director, Verlinde S.A., France 1988–1990; Vice President, R&M Materials Handling Inc., the U.S.A. 1983–1986.

Shares 32,000

Option to acquire 10,000 shares

Ari Kiviniitty b. 1957
Chief Technology Officer (CTO).
Member of the Executive Board since 2005.
Employed 1983. M.Sc. (Eng.)

Primary working experience
Vice President, Standard Lifting Equipment, 2004–2005; Managing Director, Hoist factory, 2002–2004; R&D Manager 1999–2001; Technical Director, Components, Singapore, 1996–1998. Other current key positions of trust: Member FEM (The European Federation of Materials Handling Equipment Manufacturers), Member of Technology Industries of Finland Business and Technology Working Group.

Shares 2,500

Option to acquire 23,200 shares

Pekka Lundmark b. 1963
President & CEO.
Member of the Executive Board since 2004.
Employed 2004. M.Sc. (Eng.)

Primary working experience
Group Executive Vice President, KCI Konecranes, 2004–2005; CEO, Hackman Abp, 2002–2004; Managing Partner, Startupfactory, 2000–2002. Various executive positions, Nokia Corporation, 1990–2000.

Shares 160,000

Option to acquire 180,000 shares

Sirpa Poitsalo b. 1963
Director, General Counsel
Member of the Executive Board since 1999.
Employed 1988. LL.M.

PHOTO: JOHAN AHLROTH

Primary working experience
Assistant General Counsel 1997–1998; Legal Counsel, KCI Konecranes/Kone Corporation 1988–1997.

Shares 6,400

Options to acquire 64,000 shares

Teo Ottola b. 1968
Chief Financial Officer.
Member of the Executive Board since 2007.
Employed 2007. M.Sc. (Econ.)

Primary working experience
CFO, Elcoteq SE, 2004-2007; Senior Vice President (Business Control and Accounting), Elcoteq Network Oyj, 1999–2004; Group Business Controller, Elcoteq Network Oyj, 1998–1999; Business Controller, Elcoteq Lohja Oy, 1996–1998; Financial Planner, Rautaruukki Oy, 1992–1996.

Shares -

Option to acquire 30,000 shares

BOARD OF DIRECTORS

Kim Gran

b. 1954
Board member since 2007 and member of Audit Committee since 2007. Independent of the company.
B.Sc. (Econ)

Primary working experience
President and CEO, Nokian Tyres plc since 2000; Vice President of Nokian Tyres, Car and Van tyres 1995–2000.

Other current key positions of trust
Chairman of the Board of The Rubber Manufacturers' Association; Chairman of the Audit Committee of M-real Corporation; Board member of Nokian Tyres plc Chemical Industry Federation of Finland (vice-chairman), M-real Corporation; Confederation of Finnish Industries (EK) and Finnish-Russian chamber of Commerce (FRCC); Supervisory Board member of Ilmarinen.

Shares 480

Svante Adde

b. 1956
Board member since 2004 and member of the Audit Committee since 2004. Independent of the company.
B.Sc. (Econ. and Business Administration)

Primary working experience
Managing Director of Pöyry Capital, London 2007; Managing Director of Compass Advisers, London 2005–2007; Chief Financial Officer of Ahlstrom Corporation 2003–2005; Managing Director of Lazard London 2000–2003; Director of Lazard London 1989–2000.

Other current key positions of trust
Member of the Board of Metso 2005– and Brammer Plc 2005– .

Shares 2,216

Stig Stendahl

b. 1939
Board member since 1999 and Chairman of the Audit Committee since 2004. Independent of the company.
M.Sc. (Chem. Eng.)

Primary working experience
President & CEO of Fiskars Oyj Abp 1992–2000; President of Abloy Security Limited 1987–1992; President of LKB Produkter AB 1979–1987, Stockholm.

Other current key positions of trust
Chairman of the Supervisory Board of Åbo Akademi University Foundation; Member of the Swedish Academy of Engineering Sciences in Finland (STV); Foreign member of IVA, the Royal Swedish Academy of Engineering Sciences; Member of the Finnish Association of Professional Board Members.

Shares 3,016

Stig Gustavson

b. 1945
Chairman of the Board. Deemed to be dependent of the company, having served as President and CEO of the company until June 17, 2005.
M.Sc. (Eng.), Dr.Tech. (hon.)

Primary working experience
President and CEO of KCI Konecranes Plc 1994–2005 and President of KONE Cranes division 1988–1994; holder of various executive positions at KONE Corporation 1982–1988; Sponsor Oy 1978–1982; RAY 1976–1978; Wärtsilä Oy Ab 1970–1976.

Other current key positions of trust
Chairman of the Board of Handelsbanken Regional Bank Finland, Dynea Oy, Tammet Oy, Arcada Foundation, Cramo Oyj, The Millennium Prize Foundation; Vice-Chairman of the Board of Oy Mercantile Ab; Member of the Boards of Vaisala Oyj, Fastems Oy; Chairman of the Supervisory Board of Tampere University of Technology; Member of the Supervisory Board of Varma Mutual Pension Insurance Company.

Shares 1,982,670

Matti Kavetvuo

b. 1944
Board member since 2001 and member of the Audit Committee since 2004. Independent of the company.
M.Sc. (Eng.), B.Sc. (Econ.)

Primary working experience
CEO of Pohjola Group Plc 2000–2001; CEO of Valio Ltd 1992–1999; CEO of Orion Corporation 1985–1991; President of Instrumentarium Corp. 1979–1984.

Other current key positions of trust
Chairman of the Boards of Orion Corporation and Metso Corporation; Vice Chairman of the Board of Alma Media Corporation; Chairman of the Board of Marimekko 2007 and Corporation Member of the Finnish Association of Professional Board Members.

Shares 2,216

1. Kim Gran 2. Svante Adde 3. Stig Stendahl 4. Stig Gustavson
5. Matti Kavetvuo 6. Björn Savén 7. Timo Poranen
8. Malin Persson 9. Lennart Simonsen

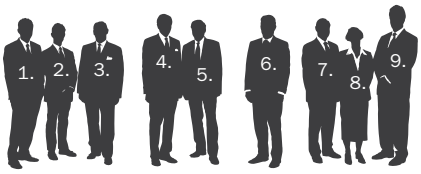


PHOTO: JOHAN AHLROTH

The members of the Board of Directors of Konecranes Plc are elected at each Annual General Meeting for a term of one year.

Board members (except Konecranes' former President and CEO Stig Gustavson) do not have options. Shareholdings are listed as per December 31, 2007.

Björn Savén

b. 1950

Vice Chairman of the Board since June 17, 2005, Chairman of the company's Board 1994–2005 and Chairman of the Nomination and Compensation Committee since 2004. Independent of the company. M.Sc. (Econ.), MBA, Dr.Econ. h.c.

Primary working experience

Chairman and Chief Executive at Industri Kapital since 1989. Holder of various executive positions within the Esselte Group in Sweden, the UK and the U.S.A. 1976–1988.

Other current key positions of trust

Deputy Chairman of Attendo Care AB; Dynea International Oy; Member of Nordea Bank AB (publ), Minimax, Finnish-Swedish Chamber of Commerce; IVA Royal Swedish Academy of Engineering Sciences.

Shares: –

Timo Poranen

b. 1943

Board member since 1994 and member of the Nomination and Compensation Committee since 2004. Independent of the company. M.Sc. (Eng.)

Primary working experience

CEO, Finnish Forest Industries Federation 1998–2005; Vice President, Metsäliitto Corporation 1996–1998; CEO, Metsä-Serla Corporation 1990–1996; CEO, Metsä-Botnia Ab 1986-1990; holder of various executive positions within production 1974–1986.

Other current key positions of trust

Member of the Board of FACTE, the Finnish Academies of Technology; Member of the Supervisory Board of Finnish Fair Corporation; Member of the Finnish Association of Professional Board Members; Member of the Board and Member of the Audit Committee, Ruukki Plc.

Shares 2,216

Malin Persson

b. 1968

Board member since 2005 and member of the Nomination and Compensation Committee since 2005. Independent of the company. M.Sc. (Eng.)

Primary working experience

President and CEO, Volvo Technology Corporation; previously holder of various positions including Vice President, Corporate Strategy and Business Development, AB Volvo; Vice President, Business & Logistics Development, Volvo Logistics Corp.

Other current key positions of trust

Chairman of the Council of Technology Management and Economics at the Chalmers University of Technology; Member of the Boards of Green Cargo AB, Volvo Trucks AB and Volvo Technology Transfer AB.

Shares 1,216

Lennart Simonsen

b. 1960

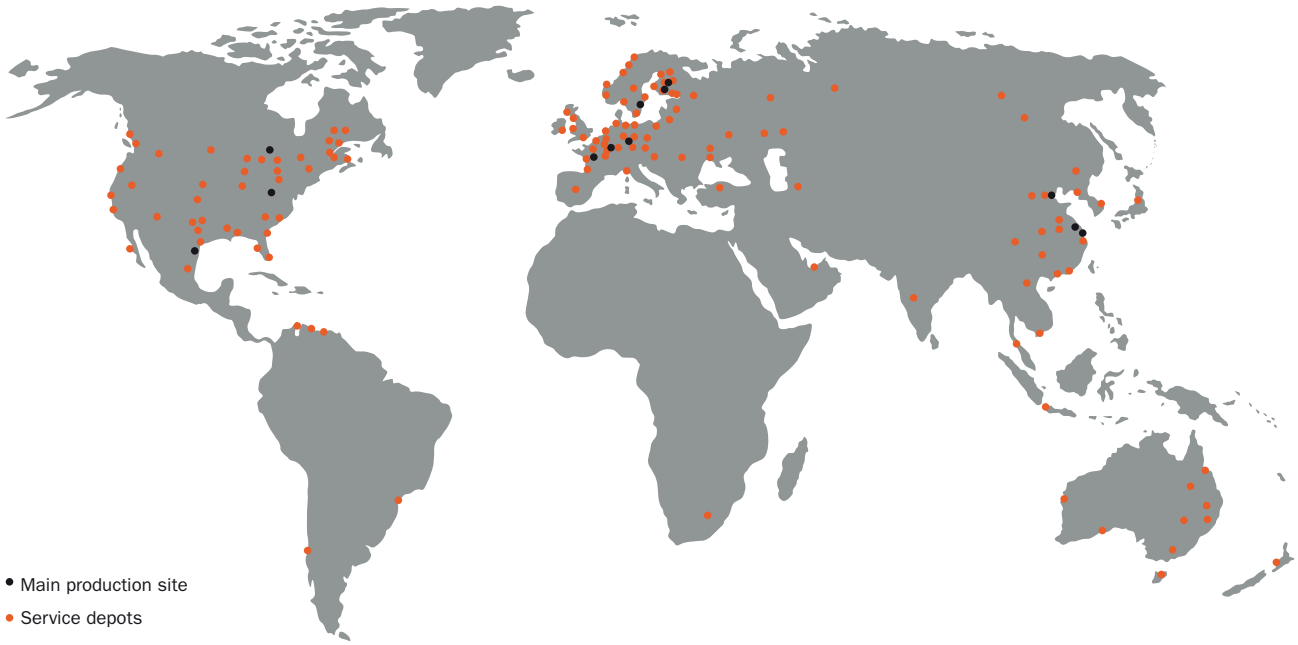
Secretary to the Board (not a member) 1995–2004, 2005–. Member of the Konecranes Board in 2004. LL.M.

Primary working experience

Managing Partner of Roschier, Attorneys Ltd. 2001–; Partner, Roschier, Attorneys Ltd. 1999–2001; Managing Partner, Castrén & Snellman Attorneys Ltd. 1997–1999; Associate, Castrén & Snellman Attorneys Ltd. 1992–1996; Tax Director of Pietarsaari Tax District, Finland 1986–1991.

Shares –

CONTACT DETAILS



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Fax +358 20 427 2099

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Konecranes Service Corporation
P.O. Box 135, (Koneenkatu 8)
FI-05801 Hyvinkää, Finland
Tel +358 20 427 11
Fax +358 20 427 4099

Heavy Lifting
Konecranes Heavy Lifting Corporation
P.O. Box 662, (Koneenkatu 8)
FI-05801 Hyvinkää, Finland
Tel +358 20 427 11
Fax +358 20 427 2599 (Harbor and Shipyard cranes)
Fax +358 20 427 2299 (EOT Process cranes)

Standard Lifting
Konecranes Standard Lifting Corporation
P.O. Box 668 (Koneenkatu 8)
FI-05801 Hyvinkää, Finland
Tel +358 20 427 11
Fax +358 20 427 3009

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 2007, Group sales totaled EUR 1,750 million. The Group has 8,400 employees at more than 470 locations in 43 countries. Konecranes is listed on the OMX Helsinki Stock Exchange (symbol: KCR1V).

REGIONAL HEADQUARTERS

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Konecranes has operations in 43 countries. For a comprehensive listing of addresses by country, we welcome you to visit our web site at www.konecranes.com

Photos: Photographer Dan Kullberg, Art Director Alexander Hansen/Grow; Konecranes Material Bank.

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